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ABSTRACT

Transcripts of the 1971 Senate hearings on S. 1612, a bill to establish a revenue sharing program for rural development, are presented in this document. Testimony presented in these hearings includes that of Federal and State legislators from North Dakota, Minnesota, West Virginia, and Georgia and representatives from the following: Arkansas Game and Fish Commission; National Association of State Universities and Land-Grant Colleges; Cooperative Extension Services (West Virginia University, Colorado State University, Texas A & M, Purdue, and the University of Nevada); Arrowhead Regional Development Commission; Wildlife Society; National Association of Development Organizations; National Wildlife Federation; National Association of Conservation Districts; American Farm Bureau Federation; Virginia State Dairymen's Association; Michigan Department of Natural Resources; American Forestry Association; Wildlife Management Institute; Chamber of Commerce of the United States; National Association of County Agricultural Agents; Forest Farmers Organization; National Association of Farmer Elected Committeemen; Fertilizer Institute; Appalachian Regional Commission; American Oil Company. Among other documents presented are 12 letters from the North Dakota constituency. (JC)

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RURAL DEVELOPMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON RURAL DEVELOPMENT

OF THE

COMMITTEE ON AGRICULTURE AND FORESTRY UNITED STATES SENATE

NINETY-SECOND CONGRESS

FIRST SESSION

ON

S. 1612

A BILL TO ESTABLISH A REVENUE-SHARING PROGRAM FOR RURAL DEVELOPMENT

PART 6

SEPTEMBER 20, 1971

Printed for the use of the Committee on Agriculture and Forestry

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RURAL DEVELOPMENT

MONDAY, SEPTEMBER 21, 1971

U.S. SENATE,
SUBCOMMITTEE ON RURAL DEVELOPMENT
OF THE COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The committee met, pursuant to recess, at 9:10 a.m., in room 324, Old Senate Office Building, Hon. Hubert H. Humphrey (chairman of the subcommittee) presiding.

Present: Senators Humphrey (presiding), Allen, and Curtis.

Senator HUMPHREY. I will call this subcommittee to order. Other members will be here very shortly.

Ordinarily, gentlemen, we have our committee meetings at 10 o'clock. Senators try to arrange their schedule accordingly. But we have such a list of witnesses—and I want to get on with this business of going over the proposed legislation we have before us—that we decided to open our meetings at 9 a.m. And we are going to go all the way through this entire day.

I have a very brief statement.

STATEMENT OF HON. HUBERT H. HUMPHREY, A U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator HUMPHREY. On March 10, 1971, President Nixon submitted his message to Congress on special revenue sharing for rural community development. In that message, which subsequently was embodied in S. 1012, introduced by Senator Jack Miller (Republican Iowa), the President proposed the establishment of a $1.1 billion fund to be shared among all 50 States to be spent at their own discretion. The moneys for this fund would consist of those now being expended for the following 11 categorical Federal programs:

Cooperative Agricultural Extension Service.
Appalachian Regional Commission.
Title V regional commissions.
Economic Development Administration.
Rural water and waste disposal grants.
Resource conservation and development program.
Rural environmental assistance program (earlier called ACP).
Great Plains agricultural conservation program.
Water bank program.
Forestry assistance grants.
Tree planting grants.

For these 11 programs, $921 million was to be expended during the current 1971 fiscal year. In addition, the President's proposal calls for an additional $179 million in new money.

As I indicated on July 27, the Rural Development Subcommittee intends to complete action on this bill as soon as practicable. Futhermore, since this revenue bill is such a key part of the President's legislative program, the subcommittee intends to report the bill to the full Committee on Agriculture and Forestry for final action.

Today, the witnesses scheduled to appear before the subcommittee are representing those groups or operations that would be most directly affected by the enactment of this bill. On April 23d, Secretaries Connally, Hardin, and Romney appeared before the committee on behalf of the administration in support of this proposed legislation. Other public witnesses have appeared before us during the hearings on rural development we held here in Washington on April 29 and on June 16 and 17. Today, we will complete our hearings on this legislation. We hope to complete action within the subcommittee and the full committee on the bill during October.

We will hold the record open of course for receiving written testimony from other witnesses. I don't like to close the body of the testimony or the record too early. Therefore we will allow plenty of time.

Although I am in favor of general revenue sharing—and have introduced my own legislation concerning it—I have reserved judgment on the matter of special revenue sharing measures submitted to the Congress by the President.

While I am in general sympathy with the desire and need for simplifying our Federal categorical programs in order to bring greater flexibility and reduce unnecessary bureaucratic red tape from their administration, I am gravely concerned about the potential abolishment of worthwhile Federal programs which have been developed to assist rural people meet many of their local needs.

Therefore, I welcome before us today representatives of those interests and look forward to hearing their views on the President's proposal.

I think I should say that I think the subcommittee and in fact the full committee is very open minded about the legislation. I don't think any of us have arrived at a point of definite decision except those who have introduced the legislation. And even when we introduce it we reserve the right to change our mind—at least on details.

Now, Mr. Watts, I would appreciate having you introduce for the record each of your associates.

Mr. Watts is director for extension and university services, and director of cooperative extension of Colorado State University.

Mr. Watts, would you present your associates.

STATEMENT OF DR. LOWELL H. WATTS, DIRECTOR FOR EXTENSION AND UNIVERSITY SERVICES, AND DIRECTOR, COOPERATIVE EXTENSION SERVICE, COLORADO STATE UNIVERSITY, FORT COLLINS, COLO.; ALSO REPRESENTING THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES AND THE EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Mr. WATTS. Thank you, Mr. Chairman.

With me today representing their respective States—and each of these people are directors of extension in those States—are Dr. John

Hutchison of Texas; Dr. Joe Stein of Nevada, who is also chairman of the Extension Committee on Organization and Policy; Dr. Paul Shaffer, who is representing the executive offices of the National Association of State Universities and Land-Grant Colleges, and who is director of the Office of International Programs of that association; Dr. B. L. Coffindaffer, of West Virginia; and Dr. Howard Diesslin, of Indiana.

Our testimony is presented with the approval and support of the National Association of State Universities and Land-Grant Colleges and the Extension Committee on Organization and Policy and on behalf of the most complex, most far reaching and most pervasiv organization ever created to project scientific knowledge in a meaningful and useful form to people outside the classroom. Our testimony will focus upon sections 202(e) and 416 of Senate bill 1612.

At the outset, we commend the Congress for the policy statement on rural development contained in title IX of the 1970 Farm Act. We also support the concerns for rural America and for balanced growth and development expressed by the President in his message on rural community development. The Cooperative Extension Service has the capacity and organization to contribute to those policy objectives. It can do so, however, only as an objective, politically neutral educational organization. This testimony will examine the provisions of S. 1612 in terms of their impacts upon this capability as well as the delivery of other authorized educational services.

Senator HUMPHREY. What are the areas you were going to concentrate on?

Mr. WATTS. Section 202(e) and section 416.

Senator HUMPHREY. Thank you.

Mr. WATTS. After serious analysis we have concluded that S. 1612 as it is now written would significantly alter the nationwide system of informal education so soundly conceived and so laboriously constructed over the past 57 years. The bill now before you—at least that part pertaining to the Cooperative Extension Service—is vague and fraught with hidden, long-range implications. Section 202(e) appears to maintain Cooperative Extension as the outreach arm of our land-grant universities and the educational arm of the USDA. But section 202(e) tells us nothing about the authority of the Secretary of Agriculture to approve plans of work. It does not specify the authority of the Governors. It fails to insure political neutrality. National threads of program effort are ignored. It is not clear whether the 1971 funding level is a frozen figure or only a base.

The Cooperative Extension Service is clearly unlike any of the other agencies or programs included in the proposed act. It is not a categorical grant program. It already is based on high local involvement of people in the determination of its program priorities. It already provides a greater flexibility in programing than would be required under revenue sharing. It is not an action program but an educational one.

Already incorporated into Extension operations are the revenue-sharing concepts of shared funding, local decisionmaking, the establishment of program priorities, and decentralized control. An important added feature of the existing arrangement is a nationwide network supportive but not directive of State and local programs. Extension

programs have remained relatively free of political direction and control, primarily because of Extension's tie to the land-grant institutions the "mutual agreement" clause of the Smith Lever Act, its multiple sources of funding, its close ties to and dependence upon research, and the fact that it is not a direct line agency of either Federal or State Government. We believe that inclusion of Extension in revenue sharing would jeopardize the continuation of local funding and volunteer support which is significant in this program.

The fact that the President has, in section 202(e), seen fit to exempt Extension from the general provisions of revenue-sharing legislation is an indication that the Cooperative Extension Service is recognized as not fitting easily and appropriately into the revenue-sharing concept as proposed in S. 1612.

Passage of this legislation could alter the basic operating structure of Cooperative Extension in such a manner as to subject it to direct political influence, decentralize it to a point where national goals and efforts could not effectively be mounted and thereby negatively affect the educational impact of the program. After careful study and analysis of the legislative proposal, it appears that an effective, proven, and workable system is being subjected to the high risk of distortion and weakness.

Permit me now to speak directly to some of the weaknesses as we perceive them in this bill.

1. There is no provision in the bill for mutual agreement between the State land-grant university and the Secretary of Agriculture as to the broad nature of programs to be conducted.

The Department has stated:

> We are confident that effective and satisfactory working relationships can be worked out between the land-grant institution and the Department in continuing Extension work under revenue sharing. The revenue-sharing proposal did not contemplate the abolishment of the Federal Extension Office since there will be a need to continue national-regional-state relationships and other cooperative efforts.

We are less confident than is the Department that all these relationships could be so effectively worked out under S. 1612. The mutual consent provision of the Smith-Lever Act is one of the bases upon which the nonpolitical arrangements for Cooperative Extension has been assured. Elimination of this relationship leaves to change the working out of arrangements for the future. If, under revenue sharing, a Secretary should impose strict program constraints, the program could be altered thereby. It could also be expected that the separate States, once the money was allocated to them under revenue sharing would construe their role to be fully controlling. Our position on this point is that any legislative language which fails to provide adequate protection for an educational program to operate free of direct political control is unsound and not in the best interests of the public.

Now, to examine this a little bit, if both revenue sharing and Federal Government reorganization are approved as now proposed, we would find the State cooperative exetnsion services funded through the new Department of Community Development and the national office, now Extension Service, USDA, located in the Department of Economic Affairs. It is difficult to visualize how this arrangement could possibly provide the needed national coordination and support implied by the Secretary in his statements before this committee.

2. The specific point of concern is that use of penalty mail by Cooperative Extension personnel would be repealed, thus requiring States and counties to pay funds now provided by the Congress, because they do require additional inputs at the local level.

3. States would be required to pay retirement and fringe benefit costs of Extension employees. This, in effect is revenue sharing in reverse.

4. Although the Federal retirement of those currently holding Federal appointment would be protected in the law, there is a question regarding the status of such personnel in terms of their fringe benefits if a State should elect not to contribute to the Federal retirement program.

5. Extension would lose its present ability to purchase supplies and equipment through GSA sources and would lose its present authority to acquire excess Government property. These features have provided a great savings in the States.

The USDA has indicated that efforts will be made with GSA and other appropriate authorities to permit the Cooperative Extension Service to continue acquiring excess property and utilizing other GSA activities and facilities.

The current authorization which Extension has to acquire excess property is a delegation to the State extension director by the Administrator, Extension Service, USDA, of his authority. If the Federal appointments are not maintained, it is inconceivable that such delegation would be continued.

6. There is no provision for growth, the bill refers to maintaining Cooperative Extension at its 1971 size and type. It does not specify whether this reference is only to Federal funds or to all sources and does not provide for Extension to share in any increased funding under the revenue-sharing bill.

Although the intent has been stated by the administration that all funds should be considered in establishing a 1971 funding base and that future increases are intended, there is a question as to whether or not the Congress can commit State and county funds in the absence enabling legislation with matching requirements at the level indicated.

7. Section 204 which authorizes the expending of funds under the act does not include extension work in the authorization.

If section 202(e) should remain in the legislation it would seem to require that Extension be included in section 204 in order for funds to be allocated for Extension work.

8. There appears to be no opportunity for a State to continue Cooperative Extension work with Federal support if it should elect not to accept rural community development revenue-sharing funds.

9. There is high likelihood that Extension would lose its current ability to occupy Federal office space. This would, of course, necessitate increased costs by counties that would be affected by this feature.

10. Taken in the aggregate, the bill leaves a great many arrangements to administrative discretion. This could be expected to result in a high variety of decisions by the separate States, weakening the national programing coordination and overtime resulting in a significant change in the basic operating relationships and program content. This could be illustrated as especially damaging, in a program such as 4–H where we have the national 4–H center and national programs

and national kinds of supports as well as nutrition and other kinds of programs that have a national overlay.

It is most difficult to understand a proposal that would retain Federal responsibility for research by the USDA and State agricultural experiment stations but place Extension in a completely different arrangement. Research without Extension long ago was proved as not being as effective in serving the people as would otherwise be the case. And it seems that it would be very unwise to deliberately separate the national level research and Extension.

A concern must also be expressed regarding poorly defined ad-administrative authority in the proposed legislation.

We sincerely attempted to draft amendments to S. 1612 which would include the Cooperative Extension Service in the legislation and insure that it would remain effective and responsive to local needs. We have come to the conclusion that no series of amendments will provide for anything superior to that aready available under the Smith-Lever and related acts. It is obvious that the Cooperative Extension Service simply does not belong in S. 1612. The "pass through" of Extension funds to the land-grant universities would not provide dollars for States to use under the general action phases of rural community development revenue sharing. And a very real risk would be imposed upon a workable, operating, effective system of educational services to people in their home communities.

In the interest of the public served, we urge you not to permit the dissolution or warping of an educational system which is unique and effective. We, therefore, request that the Cooperative Extension Service be removed from the provisions of Senate bill 1612.

At this point, I would like to address my comments to a brief examination of the role of the Cooperative Extension Service in rural development which your committee is primarily concerned with. In the 1970 report—and incidentally, this is not part of our earlier testimony, but I would appreciate it if this could be included in the record.

In the 1970 report of the President's task force on rural development entitled, "A New Life for the Country," you will recall that the task force recommended:

> * * * that land-grant colleges and universities step up their commitment * * * toward the needs of countryside communities and rural people * * *.

We specifically wish to call to the attention of this committee the high degree of interest of the National Association of State Universities and Land-Grant Colleges and the Directors of Cooperative Extension in Rural Development. We are already heavily involved in those rural development efforts for which the Department of Agriculture has responsibility. We are working cooperatively in many States with the State executive offices that deal with land-use planning, zoning, and resource development.

Today you as a committee are seeking mechanisms by which attention can be given in an effective manner to applying public policy and public resources to assist nonmetropolitan areas as part of a national development plan. The implementation of a national development concept of State and community levels to financial incentives of

action programs we feel must have, to be fully effective, a research and educational base.

The Cooperative Extension organization could serve as the vehicle to provide the educational component. We urge that any program evolved for rural development make full use of the capabilities of the existing structure of our land-grant system for both data collection and information dissemination.

Permit me at this point to comment specifically upon the proposal made to this committee by Dr. D. B. Varner, president of the University of Nebraska. You will recall that Dr. Varner recommended that the Congress authorize and fund a system of institutes for rural development in the land-grant universities which would contain research and Extension components built upon the present land-grant model.

Senator HUMPHREY. I was going to ask you about that.

Mr. WATTS. We recognize that Dr. Varner made this proposal as an individual. It is certainly in the land-grant tradition. It is an excellent and imaginative concept. The land-grant system's involvement in rural development has been extensive over many years. Although the Association has not yet formally studied the proposal and acted upon it, it has supported similar concepts. Our committee—and we too have not had an opportunity to react formally—our committee, as individual Extension directors, fully supports the proposal as we understand it and urges your serious consideration of it.

We think the Extension job as outlined by Dr. Varner is certainly compatible with and appropriate to the role that we have historically made and the role we believe Extension should play in meeting future problems to both the organization of Extension and its commitment to rural people.

We would stress in making these comments that Extension as it is now authorized could move into this responsibility as a functional arm of the land-grant universities. This capacity would be jeopardized if the Cooperative Extension Service is retained as now indicated in Senate bill 1612. We therefore urge this committee to strike from S. 1612 all reference to the Cooperative Extension Service and to permit instead its continued operation under existing authority of the Smith-Lever Act.

We are at your disposal for any questions. And we appreciate very much the opportunity to be here.

(Mr. Watts' prepared statement is as follows:)

Mr. WATTS. We appreciate this opportunity to appear before you to discuss the Rural Community Development Revenue Sharing Act of 1971 as it relates specifically to the Cooperative Extension Service. I am Lowell H. Watts, director for extension and university services and director of the Cooperative Extension Service for Colorado State University. My colleagues present today are:

Dr. Howard G. Diesslin, director, Cooperative Extension Service, Purdue.

Dr. John E. Hutchison, director, Cooperative Extension Service, Texas A. & M. University.

Dr. B. L. Coffindaffer, director, Cooperative Extension Service, West Virginia University.

Present also is:

Christian K. Arnold, associate Director, National Association of State Universities, and Land-Grant Colleges.

This testimony is presented for the National Association of State Universities and Land-Grant Colleges. It is also presented on behalf of the most complex, most far reaching and most pervasive organization ever created to project scientific knowledge in a meaningful and useful form to people outside the classroom. This organization, the Cooperative Extension Service, is made up of 15,300 professional personnel, 10,000 paraprofessional aides, supporting clerical staff, and over a million nonpaid volunteer workers located in cities, towns, and rural areas throughout this land of ours. Each year many millions of youth and adults benefit from its educational programs.

It is not the purpose of this testimony to take a position on the broad concept of revenue sharing or the totality of S. 1612. It is focused solely on the advisability of including the Cooperative Extension Service in Senate bill 1612.

The short- and long-range impacts of this bill have been thoroughly examined in terms of the administration and the operation of the Cooperative Extension Service. Of particular concern has been the examination of probable effects upon the delivery of useful and practical educational services at the local level. The Smith-Lever Act, as amended, and other relevant legislative acts under which the Cooperative Extension Service is currently operating, have provided the support and the safeguards which have enabled the Extension Service to develop and maintain viable and effective programs for more than half a century.

Under no circumstances would we want to convey the impression that we object to change or modification of the Cooperative Extension Service, providing those changes result in more effective service to to the public.

At the outset, we commend the Congress for the policy statement on rural development contained in title IX of the 1970 Farm Act. We also support the concerns for rural America and for balanced growth and development expressed by the President in his message on rural community development. The Cooperative Extension Service has the capacity and organization to contribute to those policy objectives. This testimony will examine the provisions of S. 1612 in terms of their impacts upon this capability as well as the delivery of other authorized educational services.

In spite of assurances to the contrary, we have been forced to conclude that S. 1612 as it is now written would significantly alter the nationwide system of informal education so soundly conceived and so laboriously constructed on a fully cooperative basis over the years. The bill now before you—at least that part pertaining to the Cooperative Extension Service—is vague and fraught with hidden, long-range implications. Section 202(e) is purported to maintain Cooperative Extension as the outreach arm of our land-grant universities and the educational arm of the USDA. But what does section 202(e) really provide? What does it tell us about the authority of the Secretary of Agriculture to approve plans of work? What is the authority of the Governors? How is political neutrality to be insured? How are the national threads of program effort to be provided? Is the 1971 funding

level a frozen figure or only a base? How can the Congress commit the 1971 level of funding in the absence of new enabling legislation and higher matching requirements by the States? If this could be done, would it not run counter to the philosophy of revenue sharing by requiring more State and local financial burden in order to obtain the Federal dollars? And, how could the 1971 base of service at the local level be maintained if States are not provided the current support for penalty mail, GSA purchases, and retirement costs?

If these and other questions can be answered with the assurance that Extension's service to the public and its educational neutrality will not be jeopardized, the question must then be asked, "What are the benefits to the public through inclusion of Extension in the bill that are not already provided for?"

The Cooperative Extension Service is clearly unlike any of the other agencies or programs included in the proposed act. It is not a categorical grant program. It already is based on high local involvement of people in the determination of its program priorities. It already provides greater flexibility in programing than would be required under revenue sharing. It is not an action program but an educational one.

The fact that the President has, in section 202(e), seen fit to exempt Extension from the general provisions of revenue sharing legislation is appreciated, but the exemption does not provide the language required to meet the apparent intent of the exclusion. The very fact the exemption has been proposed is an indication that the Cooperative Extension Service is recognized as not fitting easily and appropriately into the revenue sharing concept as proposed in S. 1612.

EXTENSION AND REVENUE SHARING

The land-grant system has enjoyed a long and satisfactory relationship with the U.S. Department of Agriculture. The references to Cooperative Extension in the Revenue Sharing Act of 1971 and statements by administration spokesmen seem to indicate that there is no intent to weaken or to dismantle so vital a program at such a critical juncture in our national history. The National Association of State Universities and Land-Grant Colleges and the State Directors of Cooperative Extension appreciate this stated intent but they are most concerned that passage of this legislation could alter the basic operating structure of Cooperative Extension in such a manner as to subject it to direct political influence, decentralize it to a point where national goals and efforts could not effectively be mounted and thereby negatively affect the educational impact of the program. After careful study and analysis of the legislative proposal, it appears that an effective, proven, and workable system is being subjected to the high risk of distortion and weakness.

Responsible officials of the Federal Government have indicated publicly and before this committee that they believe the legislation as now drafted will enable the Cooperative Extension Service to function in an effective manner. Strong disagreement with this viewpoint must be expressed as an official position of the National Association of State Universities and Land-Grant Colleges and State Directors of Cooperative Extension. The ambiguity and generality of the language in section 202(e) has led us to the position that outright exclusion of the

Cooperative Extension Service from the legislation would best serve the interests and needs of people and local communities.

Already clearly incorporated into Extension operations are the revenue sharing concepts of shared funding, local decisionmaking, the establishment of program priorities, and decentralized control. An important added feature of the existing arrangement is a nationwide network supportive but not directive of State and local programs. Extension's programs have remained relatively free of political direction and control, primarily because of Extension's tie to the land-grant institutions, its multiple sources of funding, its close ties to and dependence upon research, and the fact that it is not a direct line agency of either Federal or State Government. Inclusion of Extension in revenue sharing would also jeopardize the continuation of local funding and volunteer support. Therefore, it appears that the legislation as now drafted offers no advantage either to the functional viability of the Cooperative Extension Service or to furtherance of the basic objectives of the rural community development revenue sharing concept.

Because of these factors, it would seem that the people of this country would benefit no more and probably less if the Cooperative Extension Service is incorporated into revenue sharing.

WEAKNESSES IN THE LEGISLATION

A review of specific items in this legislation will indicate those weaknesses pertaining to Cooperative Extension which now exist in the present language.

1. There is no provision in the bill for mutual agreement between the State land-grant university and the Secretary of Agriculture as to the broad nature of programs to be conducted.

The Department of Agriculture has stated:

> We are confident that effective and satisfactory working relationships can be worked out between the land-grant institution and the Department in continuing Extension work under revenue sharing. The revenue sharing proposal did not contemplate the abolishment of the Federal Extension Office since there will be a need to continue national-regional-State relationships and other cooperative efforts.

We are less confident than is the Department that all these relationships could be so effectively worked out under S. 1612. The mutual consent provision of the Smith-Lever Act is one of the bases upon which the nonpolitical arrangements for Cooperative Extension have been assured. Elimination of this relationship leaves to chance the working out of arrangements for the future. If, under revenue sharing, a Secretary should impose strict program constraints, the program could be altered thereby. It could also be expected that the separate States, once the money was in their hands under revenue sharing, would construe their role to be fully controlling, both in terms of program content and the ability to direct the program in accordance with current State political philosophy. The position of the association on this point is that any legislative language which fails to provide adequate protection for an educational program in terms of its freedom to operate outside of direct political control is unacceptable.

If both revenue sharing and Federal Government reorganization are approved as now proposed, we would find the State Cooperative

Extension Services funded through the new Department of Community Development and the national office, now the Extension Service, USDA, located in the Department of Economic Affairs. It is difficult to visualize how this arrangement could possibly provide the needed national coordination and support implied by the Secretary in his statements before this committee. You will recall that he indicated, "Revenue sharing does not envision any significant changes in Federal, State, and county extension organizational arrangements or procedures." The question must be asked as to how such changes could be prohibited. The Department would have no authority or jurisdiction in this matter.

2. Use of penalty mail by Cooperative Extension personnel would be repealed.

Loss of this privilege would require that States and counties pay from their own resources funds which are now provided nationally for mailing official correspondence and materials. Loss of the penalty mail privilege would reduce total program capacity unless additional funds were appropriated at the national level, specifically to support the increased costs of this provision.

3. States would be required to pay retirement and fringe benefit costs of Extension employees.

Inquiries of the Department regarding this point have resulted in statements as follows:

> Federal funds used for employer's contribution to the retirement fund would be made available to states to pay them after July 1, 1972. Funds for employer contributions would be reflected in future appropriations requested for revenue sharing.

The USDA reply appears to be based upon an assumption that funds currently allocated by the Congress to the Department of Agriculture to support the employer's share of Federal retirement costs for State Extension personnel would be allocated to the States under revenue sharing. No support for this statement can be found in reviewing the proposed legislation. The rural community development budget indicated in the administration proposal for rural community development revenue sharing is $149 million on the basis of 1971 appropriations. This is composed of those funds now paid to the States for conducting Cooperative Extension work. They do not include the appropriations to the Department of Agriculture to pay the employer's cost of Federal retirement for State Extension personnel holding Federal appointment. It would be necessary, therefore, for the budget to be increased above the figure allocated for payments to States in order for these moneys to be made available; otherwise, it would be necessary that they be taken as an initial deduction from the moneys available to the States. This would violate the stated intent of maintaining the scope of activity at its current level. The statement that funds for employer contributions would be reflected in future appropriations may represent a statement of current intent but is certainly not binding upon the Secretary of Agriculture either now or in the future.

4. Although the Federal retirement of those currently holding Federal appointment would be protected in the law, there is a question regarding the status of such personnel in terms of their fringe benefits

if a State should elect not to contribute to the Federal retirement program.

The USDA has indicated that it does not expect that any State would take action to withhold employee retirement contributions and thus deprive employees of benefits of the Federal retirement system unless benefits under the State or university system would be as good or better.

The implications of this provision are uncertain. It should be pointed out, however, that any action that would force personnel in mid-career to change from one retirement system to another could severely reduce the total benefits available at mandatory retirement age. It would appear that some better protection than is now indicated should be provided for those currently holding Federal appointments in the Cooperative Extension Service.

5. Extension would lose its present ability to purchase supplies and equipment through GSA sources and would lose its present authority to acquire excess Government property. These features have provided a great savings in the States.

The USDA has indicated that efforts will be made with GSA and other appropriate authorities to permit Cooperative Extension Service to continue acquiring excess property and utilizing other GSA activities and facilities.

The current authorization which Extension has to acquire excess property is a delegation to the State extension director by the Administrator, Extension Service, USDA, of his authority. If the Federal appointments are not maintained, it is inconceivable that such delegation would be continued.

6. There is no provision for growth. The bill refers to maintaining Cooperative Extension at its 1971 size and type. It does not specify whether this reference is only to Federal funds or to all sources and does not provide for Extension to share in any increased funding under the revenue sharing bill.

Although the intent has been stated by the administration that all funds should be considered in establishing a 1971 funding base, and that future increases are intended, there is nothing in the law that would give credence to this point. There is also a question as to whether or not the Congress can commit State and county funds in the absence of enabling legislation with matching requirements at the level indicated. The assumption must be made that if all other provisions of the law protect the basic arrangements and philosophy of the Smith-Lever Act, State and local funding would continue at least at its current levels. The most predictable position that can be taken is that continued increases in county funding will depend upon continuation of the Extension program as it is now established.

7. * * * Section 204 which authorizes the expending of funds under the act does not include Extension work in the authorization.

This concern probably should be subjected to formal legal review. If section 202(c) should remain in the legislation it also would probably require that Extension be included in section 204 in order for funds to be allocated for Extension work.

8. There appears to be no requirement for a State to continue Cooperative Extension work if it should elect not to accept rural community development revenue sharing funds. Under these circumstances, it would appear unlikely that such a State could receive Extension funds under the act.

9. There is high likelihood that Extension would lose its current ability to occupy Federal office space.

Although this matter has not been checked from a legal standpoint, it would appear unlikely that Extension could continue to occupy Federal office space if it was not eligible for benefits enumerated in items 2 and 5. This would, of course, necessitate increased costs by counties that would be affected by this feature.

10. Taken in the aggregate, the bill leaves a great many arrangements to administrative discretion. This could be expected to result in a high variety of decisions by the separate States, weakening the national programing coordination and over time resulting in a significant change in the basic operating relationships and program content. Predictable variations among the States would greatly weaken Extension's capacity to respond to national priorities or to maintain effective programs such as 4-H and nutrition education which benefit from national activities, projects, and program leadership.

S. 1612, section 202(e), provides that "* * * each State shall use a sufficient portion of the moneys to which it is entitled to maintain and carry out a program of agricultural Extension work * * *." This language indicates that under the general concept of fund transfers associated with revenue sharing, the Extension portion of each State's rural community development allocation would go to the State Governors' offices for reallocation to the land-grant universities. The State's chief executive would feel not only an inclination but a responsibility to exercise some control over the program funded under such an arrangement. Not only might this situation place Extension in a position to be directed in accordance with political policy of the party then in power in the State, but it could not provide any meaningful mechanism for coordinating national priorities and nationwide efforts such as 4-H programs which are supported on a national basis.

It is most difficult to understand a proposal that would retain Federal responsibility for research by the USDA and State agricultural experiment stations but place Extension in a completely different arrangement. Research without Extension long ago was proved incomplete in meeting practical needs of our people. The deliberate separation of research and Extension—at least at the national level—is a most unwise move. The provisions of S. 1612 which apply to the Cooperative Extension Service are vague and leave a great deal to personal negotiation and to the personalities of those in authority at the Federal and State level. Experience would indicate that legislation is not likely to provide an effective educational program unless the intent is clearly supported by specifics in the legislation or unless the legislative history defines authorities and relationships in a very specific manner. For example, the Secretary of Agriculture has advised your committee that under S. 1612 funds might be shifted from one area of Extension work to another except for the nutrition program which would be expected to continue at not less than the 1971 scope. On what basis is this exception to be enforced? And, if it is applied, what is to limit the authority of the present or a future Secretary of Agriculture to enforce different restrictions of this type? On what authority or rationale is past congressional intent related to nutrition education to be enforced and similar congressional support for agricultural marketing educational work to be left to State discretion?

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If the present legislation affecting Cooperative Extension is to be modified, then an analysis of proposed legislation must be predicated upon developing a foundation to provide guidelines under all conceivable types of personalities and situations at both the Federal and State levels. The legislation as now written leaves far too much to administrative discretion to sustain over a long period of time a program of informal education funded and conducted in such a complex manner as the Cooperative Extension Service. Extension has been an effective model. It can and should modify its programs and approach to problems to meet urgent priority considerations of the public whom it serves but must also retain the capacity to operate free of political influence.

In the interest of the public served, we urge you not to permit the dissolution or the warping of an educational system which is unique, not only in this country but throughout the world—a system which has proven its effectiveness and which is based upon principles that have stood the test of time. It would be unfortunate indeed if the very principles embodied in the revenue sharing concept which are now functioning effectively throughout the Nation in Cooperative Extension were to be abandoned through changes in legislation that although well intended would result in an effect directly opposite to than intent.

We sincerely attempted to draft amendments to S. 1612 which would include the Cooperative Extension Service in the legislation and would insure that it would remain effective and responsive to local needs. We have come to the conclusion that no series of amendments can provide for anything superior to that already available under the Smith-Lever and related acts. It is obvious that the Cooperative Extension Service simply does not belong in S. 1612. The pass through of Extension funds to the land-grant universities would not provide dollars for States to use under the general action phases of rural community development revenue sharing. And a very real risk would be imposed upon a workable, operating, effective system of informal education.

We know the subcommittee is familiar with the Cooperative Extension Service. A brief review of this program, its legislative history, the administrative arrangements under which it operates and its basic characteristics should be helpful to the committee in analyzing and responding to our concerns and our position on S. 1612.

THE GENESIS OF COOPERATIVE EXTENSION

Action of the U.S. Congress in 1914 in evolving and approving the Smith-Lever Act has been recognized as one of the most foresighted and important pieces of legislation ever passed in terms of the development and evolution of nonmetropolitan America. The wisdom of the Congress in establishing safeguards for the education which is conducted in the home and local community, free of political direction, has enabled the Extension agent to earn the trust and confidence of the people.

The Smith-Lever Act established a nationwide system, subject to State variation, by which knowledge could be transmitted from

researchers directly to the people. It provided that the people served should be encouraged to put knowledge to use in a practical manner. The specific charge contained in the Smith-Lever Act was to " * * * aid in diffusion among the people of the United States useful and practical information * * * and to encourage the application of the same * * * ."

This act embraced a goal of increasing production and improving the marketing systems. It directed attention toward improving the welfare of those in a position of relative social or economic disadvantage by helping them to help themselves. It required response and effort on the part of the recipient but declared it to be the public policy to assist those in need of information whatever their economic status. This concept was eloquently described by Congressman Lever on December 8, 1913, when he viewed the Extension agent as responsible to "* * * give leadership and direction along all lines of rural activities—social, economic, and financial." Representative Lever also added the following comment:

> The Committee does not believe that Congress can afford to appropriate money for the sole purpose of teaching the farmer the best methods of increasing production * * * he [the Extension agent] is to assume leadership in every movement, whatever it may be, the aim of which is better farming, better living, more happiness, more education, and better citizenship.

In addition, Mr. Lever made the following statement:

> Your committee commends to the especial attention of this House that feature of the bill which provides authority for the itinerant teaching of home economics or home management * * * and your committee believes there is no more important work in the country than this.
>
> Your committee believes that one of the main features of this bill is that it is so flexible as to provide for the inauguration of a system of itinerant teaching for boys and girls.

You are, of course, familiar with the work that Cooperative Extension has done in stimulating the adoption of technology in American agriculture. This has yielded direct or indirect benefit for every American in terms of high-quality food for an extremely low percentage of the total average income. You are also aware of the strong and continuing programs designed to improve family living. In recent years, the Congress has seen fit to expand these efforts by allocating to Extension an additional $50 million for nutrition education, particularly directed toward the disadvantaged homemaker and her children.

Evolution of the 4–H program in America was made possible by the wisdom of the Congress in calling specific attention to the need of our young people for programs to assist them in developing their skills, leadership capacities, and ability to function as productive contributors to American society. Much of the success of the 4–H program is due to national program leadership and nationwide support by the National 4–H Service Committee and the National 4–H Foundation.

The original act clearly established Cooperative Extension as one of the institutions designed to stimulate national growth by helping the individual improve his knowledge and skills. Extension programs in rural areas are directly related to the economic development of the Nation and to rural development in particular. The 1955 Congress also

took cognizance of the problem of underdevelopment in certain rural areas of the United States and provided in section 8 of the Smith-Lever Act that Extension should give specific assistance to the economic and social development of depressed areas. On a broader scale—and more recently—the Cooperative Extension Service has been asked by the present Secretary of Agriculture to assume leadership in organizing State rural development committees. In most States, district and county committees have also been created. Most committees are chaired by Extension personnel. The major programing components of the Cooperative Extension Service today are, therefore, related to agriculture, homemaking, youth, and rural community development.

The full impact of these programs cannot be measured without reference to the manner in which the lay public is involved, not simply as recipients, but in expanding the programs far beyond the efforts of the paid staff. There are today approximately 100,000 man-years contributed annually by volunteer leaders involved in Extension work. If the nature of Extension is changed—and especially if the change would make Extension subject to partisan political domination—it could be anticipated that a very high percentage of these volunteers would lose interest. The personal commitment and involvement of volunteer leaders are a significant force in most Extension programs.

The Cooperative Extension Service was conceived as an educational program and for that reason was placed within the land-grant colleges. It was tied to the Federal establishment by means of (1) acceptance of the Smith-Lever Act by State legislatures, (2) the requirement that States match Federal money in support of the program, and (3) by the memorandum of understanding between the Secretary of Agriculture and the land-grant institutions chosen by State legislatures to serve as the parent institutions for program administration. Long and sometimes bitter debate occurred during hearings preceding passage of the Smith-Lever Act. A significant amount of the discussion considered the manner in which the program would be administered at the State level. There was also question as to whether the agents should be made direct line employees of the Federal Government or employees of the State land-grant institutions. Senator Smith of Georgia, one of the authors of the Smith-Lever Act, summarized the rationale finally accepted in a statement on January 29, 1914, which in part reads as follows:

> We are confronted with some of the professors . . . who preferred that unrestrained power should be given to the colleges of agriculture. On the other hand, there were those who agreed . . . that it would be best . . . that the agents employed should be subject to the approval of the Department of Agriculture. The final result of the conferences and study was the adoption of a middle course providing cooperation with the power to supervise and approve the line of work by the Department of Agriculture and leaving to the colleges the selection of the agents.
>
> We finally framed the bill as it is as the result of a consensus of opinion that we could rely upon the faculties of the colleges to make the selections free from any political influence, free from any influence except the spirit of an educational leader earnestly desirous of carrying the best information to those who are to be its recipients. We concluded that if the Department here were to pass upon these men, then the idea would perhaps exist in the state that senators and representatives could be called on to confer with the Department about it and to exercise some political influence over the selection and as we were seeking to take these selections entirely out of politics and to make them purely educational we shaped the bill as it is.

The decision to grant authority to each State legislature to name a single land-grant institution in each State and to place the employees or agents within the staffing structure of that institution also had a profound and lasting impact upon the nature of the program. It enhanced State influence, it minimized direct political influence, it preserved the educational nature of the program, and it made possible the development of statewide programs which could not have evolved as they did had there been more than one college or university designated to administer each State program.

THE NATURE AND CHARACTERISTICS OF THE COOPERATIVE EXTENSION SERVICE

1. It is educational in program content and methodology and is a major part of the public land-grant university system rather than being attached directly to State government.
2. It provides informal noncredit education conducted beyond the formal classroom and for all ages.
3. It helps people solve problems and take advantage of opportunities through education.
4. It features the objective presentation and analysis of factual information for decisionmaking by the people themselves. It is typically research based with free flow of communication among research, extension, and resident teaching functions of the State land-grant university system and with resources of the U.S. Department of Agriculture and other agencies both public and private.
5. It functions through local offices which are semiautonomous units accessible to and influenced by local residents.
6. It involves cooperative but not necessarily equal sharing of financial support among Federal, State, and county levels of government.
7. It requires cooperative sharing of program development among Federal, State, and local levels.
8. It is practical, problem centered, and situation based.
9. The funding and administrative relationships permit educational programs directed at broad national purposes yet serving specific local needs with priorities determined locally.
10. Local involvement has resulted in the voluntary contribution of millions of dollars of private money as well as the very significant allocation of time by volunteer leaders.

COOPERATIVE EXTENSION—AN EDUCATIONAL MODEL

Cooperative Extension has been looked upon for years as an ideal model of Federal, State, local cooperative effort. It has been acknowledged, along with our research establishment, as one of the primary reasons for the worldwide superiority of American agriculture. It has been used as a model in most other nations which continue to look to the United States for leadership, advice, and guidance in developing extension services in developed as well as in underdeveloped countries.

Cooperative Extension has been evaluated by formal research. One of these studies indicated that the annual return for each additional dollar of public funds invested in support of the combination of Cooperative Extension services and their related experiment stations

is in the magnitude of 1,300 percent in perpetuity. Impact from Cooperative Extension may be found in more adequate community leadership and in hundreds of thousands of individuals who have become more effective contributors to the Nation as a result of the development of their capabilities through their involvement in Extension educational programs.

Dr. Fred Harrington, who served as president of the University of Wisconsin, and Dr. Donald McNeil, who is chancellor of the University of Maine at Portland, conducted a study of adult education for the Carnegie Corp. Reporting on this study in 1962, Dr. Harrington listed five points of success illustrated by the Cooperative Extension Service. These points are:

1. Cooperative Extension provides the chief example of a successful adult education movement.
2. Cooperative Extension represents what is so far the only success of the Federal Government in providing continuting support of instruction in higher education.
3. Cooperative Extension has pioncered in the introduction of new teaching techniques.
4. Cooperative Extension has shown how to link research to action programs.
5. Cooperative Extension has provided an extraordinary example of the outreach of the university.

In 1963, seven land-grant presidents collaborated in a paper presented at a national seminar on agricultural administration in the land-grant system. Some of their observations related to Cooperative Extension are:

The Cooperative Extension Service has often been termed one of the most distinctive inventions of American education * * *. One of the great strengths of the Cooperative Extension Service since its inception * * * is that that it has developed an organization which permits it to be sensitive to the needs and wishes of those it serves.

The Extension idea must be preserved. Special consideration must be given as to how its unique strength can be adapted to meet the many urgent needs, some of them quite new.

THE COOPERATIVE EXTENSION ROLE

The Cooperative Extension has responded not only to local concerns but to national priorities. It was instrumental in the successful initiation of the TVA, the AAA, and soil conservation district programs. It concentrated on farm production during World War II; it responded to national concerns on human nutrition; it is tackling the needs of town and city youth; and is accepting an increasing responsibility for emerging concerns related to rural development and the environment. It has done and is doing these things through education. information, inspiration, and involvement of individuals, families, and community groups. The most recent example of Extension's response to national problems took place just a few weeks ago when it conducted a nationwide horse population census to assist the Department of Agriculture in combating Venezuelan equine encephalomyelitis.

It might logically be asked why it is necessary for the Cooperative Extension program to be continued now that there has been developed a strong agricultural capability and many rural homes have been upgraded to a level far more comparable to those in the city than was

the case a half century ago. First of all, a look at the field of agriculture is appropriate.

The problems of the American farmer are far more complex today than ever before. The increasing pressures upon the American farmer in terms of marketing, management, pesticides, feedlot waste disposal, land-use planning and zoning, as well as those of production itself, require continued support, both from the standpoint of research and the extension of that research to the farmer for his use. The average farmer who represents the vast majority of American agriculture cannot be expected to conduct his own research nor take the time to seek out usable knowledge from the technical language of the highly trained scientist. America's farmer today needs more assistance, more support, more understanding, and more education—not less. It is seldom realized that a significant portion of Extension's "agricultural" programs serve the urbanite as well as the agricultural producer. Agricultural technology information on urban horticulture, turf grass, insect control, and plant diseases are a few examples. Of course, the consumer is the ultimate beneficiary of those programs related to food and fiber production.

The American family today must function in a complicated and demanding society. The need for education in human nutrition is unusually high. It is not enough to have packaged and processed foods available. The homemaker needs to know the food value of those products and she needs to know how to make her food dollar go as far as possible. With congressional support, Cooperative Extension has mounted a massive and effective effort in nutrition education, both in the city and in the nonmetropolitan areas of the Nation. Emerging efforts of Cooperative Extension are involving the homemaker in aspects of her community as well as the improvement of her own managerial skills within the home. Her leadership in providing a meaningful quality of life for family members continues to hold a high priority.

America's young people have been pointed to as a source of the very highest concern in terms of their motivation, their personal development, and their ability and willingness to move into an adult democratic society in an affirmative manner. The 4–H program, and effort conducted by Cooperative Extension has, without question, proven its ability to inspire young people, to develop their citizenship and leadership capacities, and to bring them through their teenage years with an affirmative and constructive outlook that is a prerequisite to our form of society.

Cooperative Extension has been continuously reviewed in an effort to update its programs in response to economic and social needs. In 1948, the Kepner report considered post-World War II needs of our people. In 1958, the so-called Scope report addressed attention to the informal education needs of the mid-century years. Then, in 1968, a national committee of representatives of the lay public and high officials of the USDA and the land-grant universities projected the role of Cooperative Extension Service for the 1970's. The report entitled "A People and a Spirit" calls for continued support to commercial agriculture, a heavy expansion of programs dealing with quality of living—both youth and adult, and large increases in educational programs related to rural development.

The Cooperative Extension Service could—and would if given the charge and the resources—become the educational component for any new comprehensive policy of rural development. By providing educational information about action programs and by involving local community leadership in the processes of development, the Cooperative Extension Service could provide a vitally important component in support of the action phases of rural development efforts envisioned in S. 1612.

In all of these efforts, the program is focused on the delivery of objective information based upon research and presented free of political control. There is not sufficient insurance that Senate bill 1612, as now drafted, will provide the legislative basis upon which such a program can be continued in an effective and objective manner.

SUMMARY

Inclusion of the Cooperative Extension Service in S. 1612 indicates recognition of the need for an educational component to permit action phases of rural community development to be fully effective. The National Association of State Universities and Lan-Grant Colleges fully supports the involvement of the Cooperative Extension Service in rural community development so long as safeguards are provided to maintain the educational objectivity of the programs. These safeguards exist under present legislation; they could be compromised by including extension in S. 1612. In addition, present national coordination and leadership for extension work would be lessened, if not totally destroyed, by passage of S. 1612. Present State program influence would increase, but there is no assurance county and community priorities would enjoy the same importance as they do at present. S. 1612 as now drafted would enforce personnel and program reductions at the State level through loss of current privileges and economies. The important tie to research at the regional and national levels would be badly weakened. Amendments to correct weakensses would, at best, improve the bill so that advantages of present extension organization and programing might be maintained but these improvements would not create arrangements superior to the Smith-Lever and related acts. For these reasons and those detailed earlier in this statement, we respectfully urge that this committee strike from S. 1612 all references to the Cooperative Extension Service.

Senator HUMPHREY. I am very sorry, but some of my colleagues are not here this morning. And I am going to respectfully suggest that possibly Mr. Shaffer of your association might want to send a personal summary of this testimony to each member of the committee. I think it is very valuable testimony.

Senator Curtis, we have just heard from Mr. Watts, who has been talking with us about the section of the special revenue sharing for rural development legislation that deals with the Extension Service. And as you were coming in I was suggesting to Mr. Paul Shaffer that he might want to give us a little brief summary of it to each member of the committee that couldn't be here today so that we can look it over.

I have a couple of questions that I want to ask you.

But may I ask you, do you wish to have any comment at all from any of the other members here?

Mr. WATTS. I don't believe so. We would of course be willing to answer any questions.

Senator HUMPHREY. We have, Senator Curtis, Dr. John Hutchison of Texas, Dr. Joe Stein of Nevada, Paul Shaffer of the association—you reside in Washington, do you, Mr. Shaffer?

Mr. SHAFFER. Yes, sir.

Senator HUMPHREY. And Mr. Coffindaffer of West Virginia. And Dr. Diesslin of Indiana, all representing the Extension Service.

Do I understand, Mr. Watts, that all of your associates agree or support your statement?

Mr. WATTS. Yes sir.

Senator HUMPHREY. This is the statement representing your group?

Mr. WATTS. This statement, except for the last comments relative to Dr. Varner's proposal, which represents only our group as representatives—typical directors. The other has been formally approved by all the directors and the Extension Committee on Organization and Policy and by the National Association of State Universities and Land-Grant Colleges.

Senator HUMPHREY. I know that Senator Curtis was very interested in Dr. Varner's statement and recommendation at the University of Nebraska.

Senator Curtis, Dr. Watts and his associates individually, without having had the chance for any formal ratification in the extension services, but individually support and endorse the suggestions made by Dr. Varner on the occasion of our visit to Nebraska.

Senator Curtis, you may recall you asked a number of questions about it.

Senator CURTIS. I have visited with a large number of people in the Extension Service about this. And I am familiar with what they have to say about retirement and fringe benefits and all of that. What is your position today? Do you oppose the legislation in toto, or do you support with amendments?

Mr. WATTS. Our position has been cast only toward an analysis of those provisions that pertain to the Cooperative Extension Service. We have not taken a position pro or con in terms of the concept generally. I think the statement of need——

Senator CURTIS. I will state my question another way, then. Are you at this time asking to be excluded from it?

Mr. WATTS. Yes.

Senator CURTIS. Rather than to remain in with any amendments?

Mr. WATTS. We have looked at this very carefully, and we feel that were we to get all the amendments that we feel are needed, we would get to the same place that exclusion would take us. Therefore we feel that exclusion would be the far simpler route, and certainly we feel it would be more effective.

Senator HUMPHREY. I have just a couple of questions, gentlemen. And any one of you, starting with Mr. Watts can respond.

We heard from Dr. Varner about his concept and the role which you seek for agricultural Cooperative Extension Services in rural development. Would you like to make any further comment at all about the role that you see for your established Cooperative Extension Service in the broadened program or the new interest in rural development?

Mr. WATTS. I would like to make a very brief statement and ask my

colleagues also, because each State I think represents a different perspective.

Senator HUMPHREY. Yes.

Mr. WATTS. In Colorado we have deliberately seen a broadening of the cooperative extension program and its role. For example, I have just been appointed as secretary of a rural development commission appointed by Governor Love. We have other members of cooperative extension on this commission. We are involved in leadership for the Department of Agriculture in its rural development committees. We have supported very strongly our State planning office, a newly created land-use commission which is seeking to develop at the local level—to implement at the local level new requirements toward land-use policy in the State.

Now, these cannot be done effectively unless people get involved in their own communities. So we feel that the place of an organization such as cooperative extension, with the background it has, with its ties to research, and the information flow capability it has, can fill the educational role. It can fill it in a way that can permit the communities to relate to someone who is not a direct line agent, someone in whom they have confidence because of this neutrality. But our relations in this I think have been excellent.

So I would perceive that the kind of role outlined by Dr. Varner is entirely in keeping with the thrust that was outlined in the document "A People and a Spirit," the national committee report of 2 years ago. And certainly it is one that would be completely compatible with any programs that I would see in our own States.

Senator HUMPHREY. Any other gentlemen?

This is Dr. Hutchison of Texas.

STATEMENT OF DR. JOHN E. HUTCHISON, DIRECTOR, COOPERATIVE EXTENSION SERVICE, TEXAS A. & M. UNIVERSITY, COLLEGE STATION, TEX.; ALSO REPRESENTING THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES AND THE EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Mr. HUTCHISON. I would like to comment in this way, that the Cooperative Extension Service is far more than an agency to transfer technology. It is a sophisticated system of informal education that embodies the full range of interest and concerns of the people with whom we work. And I would submit that the deep involvement of local leadership in studying this situation and studying the developing trends that form the basis for their programs that help them to identify problems and opportunities and help them to identify the priorities that they wish to activate is a subtle kind of education, and is a means by which higher education can be taken to the public at large, many of whom, most of whom, perhaps, have no opportunity to come to the institution of higher education per se on the campus. And so we are very much interested in being a part of the programs of rural development. And we believe that at its very genesis that rural development is an educational matter. Unless there is a change of attitude, until there is an attitude of hope, an opportunity for progress among the people, not much progress can be made toward rural development.

Also it provides us with an opportunity to bring to the attention of people in very realistic ways the kind of assistance that is available from many, many sources, both Federal, State, and otherwise, that they can utilize in bringing about rural development and improving the conditions of their lives and the conditions of their economy.

Senator HUMPHREY. We see the possibility of a land-grant college or university with the Extension Service becoming a central point for information and documentation of all kinds that relate to rural development. And Dr. Varner talked to us somewhat about that. And I gather that you sense that that is an important role for the Extension Service.

Mr. HUTCHISON. I do, indeed, sir.

Senator HUMPHREY. Do you have specialized training programs now to put new emphasis upon the rural development aspects of your work?

Mr. WATTS. There are two aspects of it, Senator Humphrey. One of these—in our own institution, we have sponsored both a national and a regional community rural development workshop for people who are specialized in extension this particular activity. We are also working toward a formalized curriculum, and so are the other institutions that we feel can be helpful here.

In addition to this, I would also personally support what Dr. Varner indicated, I believe, to this committee, that there are disciplines not common to most extension services that are needed.

Senator HUMPHREY. Yes, that was opened up for discussion at the time. Dr. Varner made it clear that he has just giving us a broad concept, which, by the way, we would appreciate from any of you, that is anything that you have that relates to this type of development.

Does anyone else wish to make any comment?

STATEMENT OF DR. JOSEPH F. STEIN, ASSOCIATE DIRECTOR, COOPERATIVE EXTENSION SERVICE, UNIVERSITY OF NEVADA, RENO, NEV.; ALSO REPRESENTING THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES, AND CHAIRMAN, EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Mr. STEIN. I would like to say this. In carrying out rural development responsibilities first I think that the Extension Service as an organization has the communication with the local people to really do the job. I think the important thing has been the type of resources available to focus attention on some of the local problems to get the job done.

Senator HUMPHREY. I am impressed by the fact that the Extension Service has this long period of service to rural America. And you do have your contacts, you do not only work at the farm level, but you are known in the business community and the professional community and the academic community, all of which is required for any kind of extension, or any kind of expansion in rural America, whether it is agricultural, industrial, or educational expansionary development.

Mr. WATTS. I believe we sometimes also lose sight of the fact that our 4–H program, which is perceived in somewhat a different context, does also have a very real contribution to make to this sort of thing.

For example, we have a program called community pride. And these young people in their leadership in their community, No. 1, as citizens; and No. 2—getting things done in the community for community good can sometimes achieve things that are not usually talked about in rural development, because we are thinking in terms of an adult program. And this, too, I think can be a dimension of some consequence.

Senator HUMPHREY. I agree.

Mr. HUTCHISON. Senator Humphrey, I am sure you are already aware that the Cooperative Extension is deeply involved in this rural development effort.

Senator HUMPHREY. Yes; I am aware of that.

Mr. HUTCHISON. And most Extension directors are serving as chairmen of the State rural development committees. In my State of Texas, for example, the Governor's office is represented in the membership on this committee. The man who is director of the industrial commission of our State is a member of this committee. And so we bring together the leadership of the State who are interested in rural development. And this committee in our State this past year has developed a piece of legislation which was submitted to the Texas Legislature and passed by the Texas Legislature providing some risk capital for small industries in rural areas to use to get started on a very modest basis, of course, although it has not yet been funded. They also passed legislation which would permit communities to vote revenue bonds to support and develop industry, that has been proven feasible.

I cite these as examples of the kind of contributions that are being made over and above what is normally thought of traditionally as the educational efforts.

STATEMENT OF DR. B. L. COFFINDAFFER, DIRECTOR, COOPERATIVE EXTENSION SERVICE, WEST VIRGINIA UNIVERSITY, MORGANTOWN, W. VA.; ALSO REPRESENTING THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES AND THE EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Mr. COFFINDAFFER. Senator, I think one of the things that is very important at this time in our history is to start looking at the rural areas. Take my State, for example. It is almost completely rural, and representative of a large segment of the Appalachian area and the Northeast. The issues that face the rural people today are probably going to demand even a higher level of sophistication than they have in the past. Our Extension over the years I think has established its credibility. It has a high degree of trust of the individual. We have people who are residents in the county. And with the opportunity to continue there, and then to backstop the new programs that might be contained in the Institute for Rural Development, with new training, new personnel, and new resources at our disposal, I believe that we would find that this would probably be one of the most effective instruments to deal with the issues that face an area like mine that has been somewhat bypassed by technological changes. Our success in the past has brought us into an entirely new area. And I believe this is

the mechanism that could effectively work in the rural countryside, in a nonmetropolitan area.

Senator HUMPHREY. One of the concerns that some people have had about the Extension Service is whether it is psychologically, or by background, experience and training, geared to the industrial aspects of rural development. Its program traditionally has been primarily directed through county agricultural agents and your educational programs at the university level directed at the individual farmer, his farm and his farming operations. The point that I think has been raised—and I only mention it because it has been raised—is whether or not Extension, with its outreach and county agents are really equipped by background, training, and orientation to deal with economic development in addition to its agriculture work.

Mr. COFFINDAFFER. I think we could point to a number of successes in this area. And many people are transcending this as times change. People are coming out of college today with different levels of orientation. But I believe we could find a number of instances in our State where the county Extension workers have been the prime movers behind local groups responsible for industrial development. And I suspect without a great deal of difficulty we would pinpoint very specifically employers other than agriculture related that have come to the State and have established their operations. And I believe this would be true in other States as well. So I think with just a little bit of further training and backstopping they will become even more effective than they are today.

Senator HUMPHREY. What about the REA's. Do you have representation of rural electric cooperatives on your State committees?

Mr. HUTCHISON. Yes, sir.

Senator HUMPHREY. I have always looked upon the REA's as one of the organizations of rural people that cut across all the different organizational lines. You have members of the Farmers Union, the Farm Bureau, the NFO, and the Grange and all of them that all seem to be able to work together in the rural electric cooperative program.

STATEMENT OF DR. HOWARD G. DIESSLIN, DIRECTOR, COOPERATIVE EXTENSION SERVICE, PURDUE UNIVERSITY, LAFAYETTE, IND.; ALSO REPRESENTING THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES AND THE EXTENSION COMMITTEE ON ORGANIZATION AND POLICY

Mr. DIESSLIN. I want to comment on your question on the industrial development. We have agricultural economists on the staffs of all the colleges who are working almost full-time either in policy or community development who are very well equipped in the area of industrial development. Now, as you know, our job is not promoting industrial development, but to layout the opportunities that are available in this area. And also equally important, some communities probably should not develop industrially, and if they do they have certain costs that could far exceed the benefits. So we have got to be careful on both sides of the coin here that the people have the facts, and where the opportunity exists to industrialize, that they go after it, and where they shouldn't, it is equally important that they try something else.

Senator HUMPHREY. Very good.

I have a question. Would any of you gentlemen wish to comment on how you might fare if you had to secure all of you funds from your State legislatures?

Mr. WATTS. That is a very difficult question to answer. I don't believe I could accurately predict this. We have had—in our last 2 years, I believe—I would have to check our budget figures to be certain, but I know last year the biggest dollar increase we had was from the countries themselves. And this is in terms of operating budget support, allowing us to have summertime aides, and nonprofessionals to support the youth program and to do special programs, particularly in high density population countries, where our Federal support has not been adequate to meet the population growth. And I believe in some States—and this is only a personal opinion, I would like to make it very clear—but under revenue sharing I would expect there would be a high diversity in what would happen. And one of the concerns that we have expressed, and I would repeat, is that a part of the success of cooperative extension is that there are some national overlays that are not directive and mandatory. But the nutrition education program which was authorized by the Congress only 3 years ago in my opinion has been an effective program. It had the national support when it was implemented. It has not, to my knowledge—at least we certainly didn't even consider putting it in any county where there was any question about its acceptability locally. And so we have been able to sort of marry up these three levels of government. And they work against each other in a sort of a balancing kind of program, where you can get the inputs of advisory committees locally, and the money locally, and at the same time you have got State and Federal working with it. And I think it would vary considerably State by State.

Mr. HUTCHISON. Senator Humphrey, I would like to comment that, based on the history of the Cooperative Extension Service and the large number of programs that have been conducted on a coordinated basis by all State Cooperative Extension Services in the interest of national goals, it would indicate that if this potential would be lost, that it would be a very great loss to the Nation as a whole. And I would refer to the organization of the various action programs at their inception, such as the soil conservation district, the rural electrification, and these kinds of things, the food for peace programs during two world wars, and now the nutrition programs. And I would comment just on the most recent near-catastrophe of the invasion of the United States by the VEE, Venezuelan encephalomyelitis program, which hit our State very hard. And the director of science and education, Dr. Ned Bayley, called me one morning and said, We must have as quickly as humanly possible a report day by day from each county on the number of sick horses and the number of dead horses. And within 24 hours we were providing this information accurately for the 254 counties in our State.

These kinds of programs would be lost if Extension were relegated to a State agency as opposed to the opportunity that now exists with Federal funding for cooperative efforts.

Senator HUMPHREY. What is Extension doing to promote the formation of county planning and development districts, which as you know has become quite a program across the country?

Mr. WATTS. We have done several things in Colorado. The first thing we did when we organized the USDA rural development committees was to organize a State committee. And we have a private industry planning agency and a State planning agency in the Governor's executive offices which deal with planning and resource development, farm organizations, representatives of the lay public, and all the agencies that would be in the department involved in this. We have done this also at the district level. We have 12 planning districts in Colorado. And these are set up to handle A–95 requests as well as the planning evolution in the State. So we have locked in the same geography as the organizations. We were, I think, instrumental in getting those 12 districts set up the way they are, because the Extension was working cooperatively with the State planning office which had that responsibility. And we arranged the meetings, at which time local people had a chance to react to the Governor's recommendations, which I believe at that time were working toward about eight. And as a result of the hearings, and the input from people locally, the 12 that we now have were set up. We are now working in the same manner with the new land use commission. And they are also tending in this direction, you see. I feel that we have a capacity here to at least provide the information on which policy decisions of this type are being made.

Mr. HUTCHISON. Senator Humphrey, I would comment that I think most States are working in the same way as outlined by Director Watts. In our State, for example, the State is divided into 23 economic districts. And the Governor's office borrowed some of our specialists to work with his planning units in developing the input-output information that was developed to support these economic planning units. And we have been deeply involved in working with them. And in our State the State law requires that any new developmental programs that would be initiated would be initiated along the lines that were established by the Governor's office.

Senator HUMPHREY. Mr. Diesslin, you had some comment on this?

Mr. DIESSLIN. The State planning office is a part of our State committee, and all of our local committees on rural development are simultaneous with the economic development area boundaries.

Senator HUMPHREY. So the multicounty planning districts are really phased into your program?

Mr. DIESSLIN. Right.

Senator HUMPHREY. And from what I have heard here I gather you are somewhat instrumental in encouraging their formation?

Mr. DIESSLIN. We helped them in the development of it, and the facts they used to set up the areas, and have cooperated all along.

Senator HUMPHREY. Anybody else?

Mr. Stein?

Mr. STEIN. I would say, Senator, that this is true in Nevada as well. We have worked very closely with the State planning board in surveying and giving the necessary data to determine what planning districts perhaps should be made in our Nevada situation.

Mr. HUTCHISON. Senator Humphrey, if I might, I would like to go back to the previous question that you raised about whether the Extension staff or State Extension staff people were oriented to work

in industrial development as well as in traditional agriculture. And I would like to comment that most of the growth that has taken place in the form of professional staff members in the Cooperative Extension Services in the last decade have been specialists. And many of these were specialists who serve on an area basis as well as on a State basis. And I would cite an example, with which I am familiar. In our State, divided into 12 districts for administrative purposes, we have an economist in management located in each of these districts at the district headquarters, who is deeply involved in matters pertaining to economic development. And in addition the Extension Service has been involved in the development of cooperatives throughout the Nation, and has been in a sponsoring role for the development of these cooperatives.

Senator HUMPHREY. Of course.

Mr. COFFINDAFFER. Senator, along this same line I think the question that we have found particularly in our area toward bringing employers into rural areas has to do with the level of community services. And this has to be directly related to the people who live in that community themselves. So irrespective of what any governmental unit does other than being able just to dictate that one goes in and locates here, the developments that are going to occur would be directly related to the involvement of people at the local level. And this I think is one of the real strong points that extension workers have, is to know how to go through the process of getting local people concerned about what is going to happen, concerned about their communities and then knowing how to get the necessary action to provide the kind of attractive things that are needed to get the employers to come in. So I think the process at local level is perhaps more important than a specific subject matter.

Senator HUMPHREY. I have a feeling—maybe it is just because I have been recently more involved in this whole matter—that this idea of rural development, has become a much more integrated type of development in that it goes into community services, into industrial expansion, and transportation. The whole picture has kind of taken on a new momentum in the last few years.

Mr. WATTS. That is correct.

Senator HUMPHREY. Is it just because I have become involved in this subcommittee, or because it is really happening?

Mr. HUTCHISON. It is really happening, yes, sir.

Mr. WATTS. I believe one of the reasons you would find the degree of interest by the sponsoring cooperative services in this problem is that we operate on an informal basis where, if you don't have a so-called teachable people or an interest on the part of the lay public, it is pretty difficult. And I would say that 20 years ago, raising this same issue, you would have found very little of that in the local community. And today there are instances of—for example, in the hearings we have been having in Colorado we have uncovered just scary information about the number of units, for example, in the Aspen, Colo., area, already approved, and then nobody ever had it in one central point where they could look at it. And these problems are with us in a State such as mine. We have very fast declining population in part of the State, and mushrooming population in another. And this kind of imbalance does not

portend a very responsible, reasonable kind of development for our State. I am sure the Governor is concerned about it, and many people are. I think that there is a great deal of interest in this thing at the local level.

Senator HUMPHREY. Carl.

Senator CURTIS. I have a conference on the Sugar Act.

Senator HUMPHREY. I guess you had better go to that. Be sure you get a lot of beets in there.

Well, gentlemen, unless you have something further to add, I want to express my thanks. But don't hesitate if you have something else. Because we look to you for a great deal of guidance. We are dealing with subject matter that has many ramifications, and it is very hard to put your hand right on it and say this is rural development. When you speak of development it comes in many forms. And we think that the Extension Service has a unique role to play. I really believe that your leadership in rural America can be fundamentally important. And you have a way of doing it. I find that in rural America you just don't come in and grab people and say we are going to do it this way, you have got to talk it out. It takes a little time. It isn't quite the same as some of our decisions that we make at the urban level.

Will you please feel free to forward to us any suggestions that you have. Truthfully this is a totally nonpartisan or bipartisan effort that we are making here, and we need the help of everybody we can get, even on matters that don't directly relate to the Extension Service. You men have a keen interest in the financing of rural development, the credit that is necessary, the kind of transportation, the educational and community facilities that are required in rural areas. And in your capacity just as a citizen feel free to share with us, because you are out there. We need your guidance.

Thank you very much.

(Summary statement submitted by Mr. Watts is as follows:)

We appreciate this opportunity to appear before you to discuss the Rural Community Development Revenue Sharing Act of 1971 as it relates specifically to the Cooperative Extension Service. I am Lowell H. Watts, director of the Cooperative Extension Service for Colorado State University. My colleagues present today are:

Dr. Howard G. Diesslin, director, Cooperative Extension Service, Purdue.

Dr. John E. Hutchinson, director, Agricultural Extension Service, Texas A. & M. University.

Dr. B. L. Coffindaffer, director, Cooperative Extension Service, West Virginia University.

Dr. Joseph Stein, director, Cooperative Extension Service, University of Nevada, and chairman of the Extension Committee on Organization and Policy.

Present also is Dr. Paul Shaffer, director, Office of International Programs, National Association of State Universities and Land-Grant Colleges.

This testimony is presented with the approval and support of the National Association of State Universities and Land-Grant Colleges and the Extension Committee on Organization and Policy and on behalf of the most complex, most far-reaching and most pervasive organization ever created to project scientific knowledge in a meaningful and useful form to people outside the classroom. Our testimony will focus upon sections 202(e) and 416 of S. 1612.

At the outset, we commend the Congress for the policy statement on rural development contained in title IX of the 1970 Farm Act. We also support the concerns for rural America and for balanced growth and development expressed by the President in his message on rural community development. The Cooperative

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Extension Service has the capacity and organization to contribute to those policy objectives. It can do so, however, only as an objective, politically neutral educational organization. This testimony will examine the provisions of S. 1612 in terms of their impacts upon this capability as well as the delivery of other authorized educational services.

After serious analysis, we have concluded that S. 1612 as it is now written would significantly alter the nationwide system of informal education so soundly conceived and so laboriously constructed over the past 57 years. The bill now before you—at least that part pertaining to the Cooperative Extension Service—is vague and fraught with hidden, long-range implications. Section 202(e) appears to maintain Cooperative Extension as the outreach arm of our land-grant universities and the educational arm of the USDA. But section 202(e) tells us nothing about the authority of the Secretary of Agriculture to approve plans of work. It does not specify the authority of the Governors. It fails to insure political neutrality. National threads of program effort are ignored. It is not clear whether the 1971 funding level is a frozen figure or only a base.

The Cooperative Extension Service is clearly unlike any of the other agencies or programs included in the proposed act. It is not a categorical grant program. It already is based on high local involvement of people in the determination of its program priorities. It already provides a greater flexibility in programing than would be required under revenue sharing. It is not an action program but an educational one.

Already incorporated into Extension operations are the revenue sharing concepts of shared funding, local decisionmaking, the establishment of program priorities, and decentralized control. An important added feature of the existing arrangement is a nationwide network, supportive but not directive of State and local programs. Extension's programs have remained relatively free of political direction and control, primarily because of Extension's tie to the land-grant institutions, the "mutual agreement" clause of the Smith-Lever Act, its multiple sources of funding, it close ties to and dependence upon research, and the fact that it is not a direct line agency of either Federal or State government. Inclusion of Extension in revenue sharing would jeopardize the continuation of local funding and volunteer support.

The fact that the President has, in section 202(e), seen fit to exempt Extension from the general provisions of revenue sharing legislation is an indication that the Cooperative Extension Service is recognized as not fitting easily and appropriately into the revenue sharing concept as proposed in S. 1612.

Passage of this legislation could alter the basic operating structure of Cooperative Extension in such a manner as to subject it to direct political influence, decentralize it to a point where national goals and efforts could not effectively be mounted and thereby negatively affect the educational impact of the program. After careful study and analysis of the legislative proposal, it appears that an effective, proven, and workable system is being subjected to the high risk of distortion and weakness. Weaknesses in the Legislation.

The bill contains several weaknesses that pertain to Cooperative Extension.

1. There is no provision in the bill for mutual agreement between the State land-grant university and the Secretary of Agriculture as to the broad nature of programs to be conducted.

The Department has stated:

"We are confident that effective and satisfactory working relationships can be worked out between the land-grant institution and the Department in continuing Extension work under revenue sharing. The revenue sharing proposal did not contemplate the abolishment of the Federal Extension office since there will be a need to continue national-regional-state relationships and other cooperative efforts."

We are less confident than is the Department that all these relationships could be so effectively worked out under S. 1612. The mutual consent provision of the Smith-Lever Act is one of the bases upon which the nonpolitical arrangements for Cooperative Extension has been assured. Elimination of this relationship leaves to chance the working out of arrangements for the future. If, under revenue sharing, a Secretary should impose strict program constraints, the program could be altered thereby. It could also be expected that the separate States, once the money was allocated to them under revenue sharing, would construe their role to be fully controlling. Our position on this point is that any legislative language which fails to provide adequate protection for an educational program to operate free of direct politial control is unsound and not in the best interests of the public.

If both revenue sharing and Federal Government reorganization are approved as now proposed, we would find the State Cooperative Extension Services funded through the new department of community development and the national office, now Extension Service, USDA, located in the Department of Economic Affairs. It is difficult to visualize how this arrangement could possibly provide the needed national coordination and support implied by the Secretary in his statements before this committee.

2. Use of penalty mail by Cooperative Extension personnel would be repealed, thus requiring states and counties to pay funds now provided by the Congress.

3. States would be required to pay retirement and fringe benefit costs of Extension employees. This, in effect, is revenue sharing in reverse.

4. Although the Federal retirement of those currently holding Federal appointment would be protected in the law, there is a question regarding the status of such personnel in terms of their fringe benefits if a State should elect not to contribute to the Federal retirement program.

5. Extension would lose its present ability to purchase supplies and equipment through GSA sources and would lose its present authority to acquire excess Government property. These features have provided a great savings in the States.

The USDA has indicated that efforts will be made with GSA and other appropriate authorities to permit the Cooperative Extension Service to continue acquiring excess property and utilizing other GSA activities and facilities.

The current authorization which Extension has to acquire excess property is a delegation to the State Extension Director by the Administrator, Extension Service, USDA, of his authority. If the Federal appointments are not maintained, it is inconceivable that such delegation would be continued.

6. There is no provision for growth. The bill refers to maintaining Cooperative Extension at its 1971 size and type. It does not specify whether this reference is only to Federal funds or to all sources and does not provide for Extension to share in any increased funding under the revenue sharing bill.

Although the intent has been stated by the administration that all funds should be considered in establishing a 1971 funding base and that future increases are intended, there is a question as to whether or not the Congress can commit state and county funds in the absence of enabling legislation with matching requirements at the level indicated.

7. * * * Section 204 which authorizes the spending of funds under the act does not include Extension work in the authorization.

If section 202(c) should remain in the legislation it would seem to require that Extension be included in section 204 in order for funds to be allocated for Extension work.

8. There appears to be no opportunity for a State to continue Cooperative Extension work with Federal support if it should elect not to accept rural community development revenue sharing funds.

9. There is high likelihood that Extension would lose its current ability to occupy Federal office space. This would, of course, necessitate increased costs by counties that would be affected by this feature.

10. Taken in the aggregate, the bill leaves a great many arrangements to administrative discretion. This could be expected to result in a high variety of decisions by the separate States, weakening the national programing coordination and over time resulting in a significant change in the basic operating relationships and program content. This would be especially damaging to such programs as 4–H and nutrition.

It is most difficult to understand a proposal that would retain Federal responsibility for research by the USDA and State agricultural experiment stations but place Extension in a completely different arrangement. Research without Extension long ago was proved incomplete in meeting practical needs of our people. The deliberate separation of research and Extension at the national level is a most unwise move.

A concern must also be expressed regarding poorly defined administrative authority in the proposed legislation.

We sincerely attempted to draft amendments to S. 1612 which would include the Cooperative Extension Service in the legislation and insure that it would remain effective and responsive to local needs. We have come to the conclusion that no series of amendments will provide for anything superior to that already available under the Smith-Lever and related acts. It is obvious that the Cooperative Extension Service simply does not belong in S. 1612. The "Pass Through"

of Extension funds to the land-grant universities would not provide dollars for states to use under the general action phases of rural community development revenue sharing, and a very real risk would be imposed upon a workable, operating, effective system of informal education.

In the interest of the public served, we urge you not to permit the dissolution of warping of an educational system which is unique and effective. We, therefore, request that the Cooperative Extension Service be removed from the provisions of Senate bill 1612.

THE ROLE OF EXTENSION IN RURAL DEVELOPMENT

At this point, I would like to address my comments to a brief examination of the role of the Cooperative Extension Service in rural development.

In the 1970 Report of the President's Task Force on Rural Development entitled "A New Life for the Country." [1] You will recall that the Task Force recommended "* * * That land-grant colleges and universities step up their commitment * * * Toward the needs of countryside communities and rural people * * *"

We specifically wish to call to the attention of this committee the high degree of interest of the National Association of State Universities and Land-Grant Colleges and the directors of Cooperative Extension in rural development. We are already heavily involved in those rural development efforts for which the Department of Agriculture has responsibility. We are working cooperatively in many States with the State executive offices responsible for resource development, planning and related subjects.

Today, you are seeking mechanisms by which attention can be given in an effective manner to applying public policy and public resources to assist nonmetropolitan areas. The implementation of a national development concept at the State and community levels through financial incentives and other action programs must have a research and education component to support that policy if the efforts are to be fully effective.

The Cooperative Extension organization could serve as the vehicle to provide the educational component. We urge that any program evolved for rural development make full use of the capabilities of the existing structure of our land-grant system for both data collection and information dissemination.

Permit me at this point to comment specifically upon the proposal made to this committee by Dr. D. B. Varner, president of the University of Nebraska. You will recall that Dr. Varner recommended that the Congress authorize and fund a system of institutes for rural development in the land-grant universities which would contain research and Extension components built upon the present land-grant model.

We recognize that Dr. Varner made this proposal as an individual. It is certainly in the land-grant tradition. It is an excellent and imaginative concept. The land-grant system's involvement in rural development has been extensive over many years. Although the association has not yet formally studied the proposal and acted upon it, it has supported similar concepts. Our committee, and individual extension directors, fully supports the proposal as we understand it, and urges your serious consideration of it.

The Extension job as outlined by Dr. Varner is certainly compatible with and appropriate to both the organization of Extension and its commitment to rural people.

We would stress in making these comments that Extension as it is now authorized could move into this responsibility as a functional arm of the land-grant universities. This capacity would be jeopardized if the Cooperative Extension Service is retained as now indicated in Senate bill 1612. We therefore urge this committee to strike from S. 1612 all reference to the Cooperative Extension Service and to permit instead its continued operation under existing authority of the Smith-Lever Act.

Thank you for this opportunity to appear before this important committee.

Senator HUMPHREY. We are going to alter our schedule a little bit, because we are moving a little faster than we contemplated.

Is Mr. Rudy Esala here?

[1] "A New Life for the Country," The Report of the President's Task Force on Rural Development. March 1970, p. 31.

Mr. Esala, you are the president of the National Association of Development Organizations. And you are from a very wonderful part of our country, Duluth, Minn. And you are accompanied by Earl Price and Lon Hardin.

Where are you from, Mr. Price?

Mr. PRICE. I am from central Oklahoma.

Senator HUMPHREY. And Mr. Hardin?

Mr. HARDIN. I am from Fort Smith, Ark.

Senator HUMPHREY. I hope that you two gentlemen don't run over my friends in Duluth. We are outnumbered.

Mr. ESALA. I don't think we are.

Senator HUMPHREY. All right. Give us a little background information first on the National Association of Development Organizations.

STATEMENT OF RUDY R. ESALA, EXECUTIVE DIRECTOR, ARROWHEAD REGIONAL DEVELOPMENT COMMISSION, DULUTH, MINN., AND PRESIDENT, NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

Mr. ESALA. The National Association of Development Organizations is a national association of multicounty organizations from every State in the Union. We are basically set up under the economic district program of the Economic Development Act of 1965. There are approximately 122 districts under that act presently. And we are formed together for mutual protection and for mutual understanding of our problems.

And I would like to introduce at this time two former presidents. Earl Price from Shawnee, Okla., is a former president of NADO, and Mr. Lon Hardin from Fort Smith, Ark., is also a former president of NADO. I am currently serving as president.

Senator HUMPHREY. Do you have a prepared statement, Mr. Esala?

Mr. ESALA. Yes, I have a prepared statement. But I would like to submit it for the record and just summarize briefly what I have.

Senator HUMPHREY. We will put the entire statement in the record as if read, and you just go ahead now and talk to us.

Mr. ESALA. And I would like to have Mr. Price and Mr. Hardin assist me as we go along, and ask.

You can ask questions any time you wish.

The concept of aiding rural development as expressed in the bill 1612 is a good one. We are glad that Congress recognizes the place of rural America and is starting to do something about it, particularly the idea of developing a national growth policy for rural America as well as urban America. In the past it seems that all the interest was paid to urban America, and rural America was ignored.

I want to make about four or five points. One, in regard to this bill, is the apparent lack of recognition of regionalism. And when I talk about regionalism I am talking about the multicounty approach to problem solving, the multijurisdictional approach.

Senator HUMPHREY. You are speaking now of S. 1612?

Mr. ESALA. S. 1612.

Senator HUMPHREY. And it is lack of recognition of the multicounty structure and regionalism?

Mr. ESALA. Right

Two, the so-called State plan in gubernatorial control over the type of planning system that is recommended in the bill.

And three, the efforts that the Federal Government has made in the past decade toward regional approach to problem solving.

And four, is—it appears to me that there is a lack of understanding of what rural America is. People like to think of rural America as a quaint little village behind a hill, and people farming. But that isn't rural America today. Rural America today is industrialized. People there work in factories as they do in the cities, and they work in mines. And they have the same kind of jobs as people in Chicago and the poverty in rural America is felt just as keenly as it is in Chicago. Poor housing and lack of opportunity and discrimination is felt as hard in Orr, Minn., with 200 population, as in Los Angeles.

And then the last point I would like to address myself to is—it might raise some eyebrows—judging the wisdom of placing rural development in the development of agriculture, is that the right place for it to be.

I will go back first of all and talk about the regional approach of problem solving. This bill appears to me not to fully recognize the efforts of the Federal Government in the past decade to develop the regional concepts in local areas.

Congress has through the Economic Development Acts set up the economic development district plus the regional commissions in the various parts of the country. Unfortunately in many places the legislative intent of Congress has not been followed through by the Federal agencies. However, at the present time for our regional—as an example in Arrowhead—we would not be able to carry out our programs without congressional support and Federal regulations. The States in many instances, not necessarily in Minnesota, but in many other instances, refuse to recognize multijurisdictional approaches or local autonomy. The only way that modern Americans in rural America can express their concern and maintain a certain amount of autonomy, is to band together in a strong joint effort and to sit down together and hash out their problems and set up priorities and hope that the State and the Federal Government recognizes that these people have the ability to decide their own destiny. By themselves they are weak and confused and unable to solve their problems.

S. 1612 appears to give the power of planning to the Governors of each State. And it is up to the discretion of the Governor to set up a State planning board and set up regions systems, but it doesn't say how or what kind of rules or whether they are going to put any money in the rural areas or use State areas to do the planning or have local people to do the planning or what, we don't know, it doesn't say that. There are many areas of revenue sharing that really frighten rural America. It is hard even to explain some of the reasoning. But I am sure Mr. Price and Mr. Hardin can explain what happened in the Emergency Employment Act when it was given to the Governor's office and split up among the Governors, and all the political hassles in that area.

Our apprehension on this bill is that there is no guarantee for the regional concept that it will be protected and it will be saved, with all the investment that has been made so far. The advantages of the bill

are that they cut red tape. We support that and will support that part of it.

Getting back to the concept of rural growth cost, let me say that the manner in which this legislation defines rural America should be reconsidered. In my own region, for example, the standard metropolitan statistical area—the urban area of Duluth, the county of St. Louis, is considered a standard statistical metropolitan area. As you know, this is 175 miles long.

Senator HUMPHREY. Who considers it that?

Mr. ESALA. The Department of Labor defines it as an SMSA.

Senator HUMPHREY. Has anybody ever looked at it?

Mr. ESALA. No; when they set it out here in Washington or Chicago and make decisions, they don't look at the map close enough to figure out a scale of miles.

Senator HUMPHREY. That is a pretty big county.

Mr. ESALA. Right. When you leave the city of Duluth you have 70 miles to drive before you hit the next stop sign.

Senator HUMPHREY. That is a big metropolitan area.

Mr. ESALA. Right. And this is all rural America. And you find these things. And just in St. Louis County alone we have an SMSA, and we are not eligible for this fund. And two-thirds of the people of the seven-county region that we live in live in St. Louis County, and one-third of those—less than that half of the people in St. Louis County live in Duluth. What about the rest of the people living in all those places like Cook and Ely? Because of the definitions in the bill they will not have the opportunity to be beneficiaries of the bill.

The problems of rural America have been increasing over the years. And we all know the reasons of out migration and the loss of population, and so forth. The trouble is that what Congress has tried to do in the past and what we have all tried to do in the past is cure the disease and not try to get back to what is causing this disease and try to do some preventive medicine by providing opportunity in rural America. It hasn't been a rational plan for developing rural America, to prevent the people from going to the cities and causing more problems. But we need tax incentives to stem the population, and we need what you and Senator Talmadge are talking about in the Rural Development Bank. This is a new and innovative way of solving problems, because capital is our biggest problem. We don't have the capital in rural America. We have to find a mechanism to get capital back in, and I think you are on the right spot on S. 2223.

We need programs to improve rural housing. And to think that there is only 239,000 people in the seven counties in northeast Minnesota—but we just finish a study, and we find out that we need 44,224 new housing units in that area by 1980. That is a big problem. And we are talking about revenue sharing $29 million for the State of Minnesota. And we are talking about seven counties one isolated corner of the State and 44,000 units. At the present time HUD in Chicago has 60,000 units requested for housing for the elderly and housing for the low-income families. And they have the money for 8,000. And who got their applications sent back but all the small communities? All the rural America got theirs back. The emphasis is going to the city.

Senator HUMPHREY. This is a constant problem. This is one of the reasons that Senator Talmadge set up this subcommittee, to focus some attention upon this very matter that you have just stated now.

You know that I served as mayor of the big city, the city of Minneapolis. It is much easier to get an application for a large city on any of these community projects than it is for a community of 5,000, 2,500 or a 1,000. First of all, they don't have the technical profession of help day in and day out to bird dog, as we say, each one of these applications. And if you are not there every day working on it, it slips through the board, and they say, I am sorry, and send it back. So one of the purposes that we have in mind in this subcommittee is sort of a watchdog operation on Federal agencies to try to give some special emphasis to those areas of America in which we have smaller populations, and to design legislation—as you know, our S. 2223 is related to a specific type of community, a community under a certain number of people, 35,000 people or less. And then you start to get down to where you get credit, and you get service from the Federal Government designed specifically for certain patterns—certain sized communities.

Go ahead. I just wanted to let you know that we are thinking along your same lines.

Mr. ESALA. There is a point there I would just like to expand on. We have 264 units of general government—we are talking just now from our experience. We have 264 units of government, and only two of them have planning capacity. And that is Duluth and the County of St. Louis. What do the rest do? From our regional staff there are staffs from each of these communities. We can provide expertise to help prepare Federal applications to act as a buffer between Federal agencies and State bureaucrats. And we have been able to channel money. And they have begun to depend on us. But this revenue sharing bill here does not guarantee the people who have built this over the years, who have built a regional organization to deliver the goods to them. And we have the record of the delivery of the goods. And this does not assure our existence. And the people built this themselves.

To go on, besides housing we need better educational facilities, better planning, and a coordinated approach to environmental problems. We are doing that now through EPA, through the regional approach. And this bill doesn't recognize regional approach. We need better health facilities and criminal justice facilities. And we are doing it. But what about the other parts of the State where they don't have statistical planning ability?

The last point I want to bring up is, I would just like to raise a question about the administration of this program under the Department of Agriculture. I know that the Department of Agriculture has always been responsible for rural development in rural America. Obviously something is wrong, because rural America is hurting. Are they the appropriate agency to administer this program?

They do not, from our experience, have the expertise in the Department of Agriculture for comprehensive planning, for land use planning, for production control, industrial development planning. Those of their staffs are entirely devoted to agriculture. And they have done a good job in making America produce the bounty that it has. That is their bag, so to speak. But their expertise really is not in these fields that are the same type of problems as urban problems.

So I think that Congress should look at this. Are they the right agency.

I just bring that up to think about.

Senator HUMPHREY. One of the things that we have provided for under the Consolidated Farm and Rural Development Bank is overall total expertise, technical assistance and planning as well as credit. And it is an independent instrumentality. And it is under a national board, like a board of directors, plus regional bank boards, so that you begin to get away from the strictures or the restraints or the limitations of any one department of Government. We think it has some merit on that basis.

Mr. ESALA. Senator Humphrey, I think I would like to conclude. And then I will answer any questions.

Mr. ESALA. Good afternoon. I am Rudy Esala, executive director of the Arrowhead Regional Development Commission (ARDC) in northeastern Minnesota. I also am serving as president of the National Association of Development Organizations (NADO). NADO is a voluntary association of multicounty organizations throughout the Nation.

Today I am here to testify about the effects of S. 1612 on regional organizations, not as a representative of any organization but as a concerned individual.

The concept of aiding rural development, as expressed in this bill, is certainly a good one. The plight of rural America is well known to all members of this subcommittee. The idea of developing a national growth policy for rural as well as urban areas is also highly commendable. I would not wish to speak against any of these basic concepts contained in this bill.

I must, however, express some concern over what I feel this bill lacks in its present form. In general, there seems to be a failure on the part of the bill to recognize the concept of regionalism.

Congress has been expounding on the advantages of the regional approach for the past several sessions. Unfortunately, what is legislative intent on the part of Congress is not receiving the commitment it deserves from the Federal agencies. Let me cite some examples. In 1968, when the Intergovernmental Cooperation Act was passed, it provided for specific reviewal powers on the part of regional bodies. Only in the past year has this reviewal process been implemented by circulars from the Office of Management and Budget. The Intergovernmental Personnel Act, funded in 1970, is only beginning to be implemented at this point. Guidelines issued under the IPA fail to designate regional organizations as eligible agents to receive funds. The Emergency Employment Act, which provides funds urgently needed to curb unemployment, overlooks entirely the fact that it is regional bodies which can best survey employment needs and which can best coordinate manpower programs. By the time the Department of Labor agreed to define the term "consortium" to include regional bodies composed of public elected officials, most of the funds had already been obligated.

My apprehension over this bill is that once more there is no guarantee that the concept of regionalism will be protected. Because there are no provisions for funds to pass through from the States to the regions, there can be no guarantee that former economic development districts will be funded at the same level as they were in the past. The

truth of the matter is that in many States it is Federal requirements only that allow regionalism to survive.

The bill guarantees that no State will receive fewer funds under revenue sharing than they had in the past. But, by not talking about regions, it fails to take into consideration the fact that more regions are being organized all the time. Thus, in Minnesota, for example, where there are only two regional commissions presently, these two regions receive all funds designated for regional bodies. In the future, however, as more regions come into existence, the percentage each region receives will decrease.

One of the advantages this bill purports to have is that of cutting redtape by eliminating many of the Federal requirements on how dollars are to be spent. Of course, shortcuts that mean we can receive our funds more quickly are always received favorably by me. However, there are some aspects to this that you should be cautious about. There is presently a tendency on the part of each Federal agency to "go off on its own." It seems to me that there could be a great deal of improvement in the administration of programs such as the title V commissions and water and sewer funds if Congress required these programs to be coordinated regionally. At times Federal requirements can help programs have a greater impact on local government than no requirements at all.

Getting back to the concept of a rural growth policy, let me say that the manner in which this legislation defines rural areas should possibly be reconsidered. In my own region, for example, there is a standard metropolitan statistical area, the urban area of Duluth. I believe the definition should allow for such combinations of urban and rural areas. What is needed is a growth policy in general, not separate policies for urban and for rural areas.

Regionalism does work. The Arrowhead Regional Development District has been a success thus far. But, it needs the commitment of Congress and the Federal agencies to keep it alive. It needs to be assured that legislation is written allowing for regional involvement and that such legislation will be carried out as intended by Congress in the form of guidelines and administrative regulations from Federal agencies.

Something has got to be done to alleviate the problems in rural America. Although the revenue sharing bill does not deal specifically enough with regionalism, at least it does address itself to rural problems.

Meanwhile, the problems of rural America continue to increase. We hope that Congress will concern itself as directly with rural development as it has with urban problems. I would like to urge the members of the subcommittee to strengthen rural America.

We need tax incentives to stem rural outmigration.

We need programs to improve rural housing.

We need better educational facilities.

We need a coordinated approach to environmental problems.

We need better health delivery systems.

We need coordinated criminal justice planning.

The list of needs for rural America could go on and on. The best way to address these needs is by insuring coordination and elimination of duplicate efforts—through regionalism.

The President stated in his message what transfers of functions were to take place under this legislation. But we're not too sure that everyone is aware of the additional programs that are being utilized by regional organizations. Mr. Tom Francis of EDA conducted a study examining the "multiplier effect" that is possible through regionalism. Of the 100 development districts he surveyed, he learned that with a total EDA planning grant investment of $4,472,642 in economic development districts, more than $14,308,901 in planning services are being delivered to these districts through coordinated funding. HUD is putting $1,560,968 into comprehensive and nonmetro planning, augmenting the development district's economic development thrust. HEW is utilizing EDD's to channel $902,587 in comprehensive health planning, while the Department of Justice is using the district mechanism to implement some $849,019 in law enforcement planning.

Before I conclude, there is something else that I would like to add even though it is apart from what I had been asked to speak about.

I would like to raise some questions about the fact that this bill places the administration of the program under the jurisdiction of the Department of Agriculture. I am not trying to be overly critical, and I recognize the excellent work USDA has done in certain areas. But, on the other hand, our experience has shown that the background and training of most of Agriculture's staff has been devoted entirely to agriculture. Their programs have tended to concentrate on only one area of the rural economy—that of agriculture.

What seems to have happened is that Agriculture has put itself in a reactionary position. When urban programs are developed, Agriculture reacts by introducing its own counterpart. This has resulted in their programs not being coordinated with other Federal programs in the rural areas. Rather than adopting innovative arrangements they have preferred the status quo. In my own experience, the Arrowhead Regional Development Commission was ruled ineligible by the regional office of Agriculture to do water and sewer planning for our region. Rather, they insisted that each county develop its own plan, thereby generating the lack of coordination we are trying to combat. Only after we appealed the decision to the Federal office in Washington were we designated as the proper planning body.

Also, I'm raising some serious structural questions about Agriculture administering a program for rural community development. In order to accomplish the goals of rural development, they would have to create a whole new bureaucracy. For surely they would have to build expertise in areas such as comprehensive land use planning, water resources planning, and the whole wide range of environmental planning. It seems to me that the only way this could be accomplished would be to transfer manpower from EPA, HUD, Manpower, and other agencies. Nowhere have I seen a proposal of this nature.

When Secretary of the Treasury John Connally appeared before this subcommittee in April, he referred to the fact that there had

been some "doubts and fears" expressed in regard to the future of the Extension Service. He then said in effect, that these people who expressed concern need no longer worry for this bill continues the Extension Service. Now, I recognize that the Extension Service has been a "sacred cow" that Congress and many States have hesitated to touch in the past. But, I raise the question as to whether the Extension Service isn't duplicating the programs of other Federal agencies. I do not wish to dwell on this point but I can assure you that in many States there has indeed been duplication. What also is apparent is that they have tended to carry out programs such as seminars without checking first with regional organizations as to the need of those programs.

Although these last points I have raised are somewhat beyond the scope of this bill, I do think it is essential that this subcommittee in discussing rural development consider all aspects—for the problems of rural America are diverse and require innovative solutions.

Thank you for the opportunity to testify today.

Senator HUMPHREY. Why don't we proceed now to your associates that are with you, Mr. Price and Mr. Hardin. And they may make any comments they wish. And then we will come back to the questions.

Mr. PRICE. Senator Humphrey, I am sorry, I don't have a prepared statement.

Senator HUMPHREY. Just your comment.

STATEMENT OF EARL V. PRICE, NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS, SHAWNEE, OKLA.

Mr. PRICE. We support the present president of the NADO organization. It has been my pleasure to appear before many committees of the Senate and the House regarding this business of rural development, balanced development. But we like to think of it in Oklahoma as being a little bit different, and we take exception to the proposed legislation because we think it does not really provide a mechanism for the delivery of the intended purpose. We take no exception to the intended purpose. It presumes, for instance that the money as distributed among the States can be in essence appropriately delivered to units of local government, and is responsive to legislatures, which we think is simply not the case, that most State legislatures do not consider in their sessions other than State appropriations, and they would not consider this. So therefore it becomes totally in the hands of the executive branch of the State government. And we question that as a delivery mechanism, No. 1 No. 2, I would like to share with the committee some of my personal experiences, and I can't do that without giving you a brief background of how our organization as a multicounty development organization functions.

First of all, we proceed on the presumption that it is impossible to determine what the priority needs of the people are in health, crime, economics, physical development, narcotics and drug abuse, or any other field of endeavor, unless first you analyze what the existing situation is.

And for that reason we have a board of directors which is appointed by elected officials of local units of government. They can be removed

upon 30 days' notice by those units of local government. Under this board of directors of 35 men we have four standing commissions that are elected by the functional areas. We have 632 people in health, including doctors, hospital administrators, technicians——

Senator HUMPHREY. When you say we, you mean in your State?

Mr. PRICE. In my particular multicounty organization. And this is a type of organization throughout the State. There are 11 multicounty planning regions within the State. In the rural areas we conserve leadership because we have a lack of leadership more so than they do in the metropolitan areas, so that we do find multiple people serving on multiple boards.

In addition to the health commission, which includes all of these people, there is a delivery system for health, and we feel like it is they and only they who know the system of deliveries for health service. And we also do the same thing in the criminal justice field with district judges, district attorneys, police chiefs, et cetera. We do the same in economics, and I can tell you the organization there. And we also do the same in physical and environmental development.

Now to give you an example of some of the things to show the differences between having a developed, organized plan to meet priority problems. The recent Emergency Employment Act leveled block grants, if you please, to the various States, or to Metropolitan areas within those various States. In the State of Oklahoma, fortunately, we set up manpower planning coordinating committees under each of the 11 regional multicounty jurisdictions. The emergency employment money which was in the State of Oklahoma, $4,050,000 was distributed, based upon a formula determined by the Department of Labor, among these various 11 planning regions. There were public hearings held on how to best utilize this 100 grant money. And believe me, that is a difficult thing, when anything is totally free, there is usually too little to meet all of the need, and therefore the need for priority setting is to how best to expend this money. Public hearings—my board of directors of the multicounty region had $240,000 to determine the allocation. They called together the commissions. The commissions gave the priority needs for employment. This was turned down by the board of directors and told to be allocated to the units of government, meaning community and city government, 32 cities and eight counties. The outcome of all this was that the commissions went back to their communities as an organized commission and set priority needs, whereby we now have approximately one-third of that money going for high priority needs in the health field, and in the criminal justice and law enforcement field, in the economics field, and in the physical development and environmental field.

Now, that was only able to come about by virtue of the fact that these commissions had met and had made long-range plans for the past 4½ years, and what their needs were to deliver better health services, criminal justice system services, et cetera. So such planning as this must be determined in advance of general revenue sharing, or the money in my opinion will be inappropriately spent to a large degree. And I think the bill does not set out that mechanism for delivery. True, it does say there must be a State plan, but it presumes that the executive branch of the State government has such a plan.

And we support the previous people that sat here and said that the essential of the thing is that unless you have the inputs from local people—and this is more than elected officials, this is the health people, it is the educators, it is the nonelected units of government, salt water and conservation districts, if you please—unless you have the inputs of all of these people through some citizens participation group, I think it negates it, and it probably does not stand a very good chance of having an effective delivery of the national resources back to the local groups.

Senator HUMPHREY. Thank you very much, Mr. Price.

Mr. Hardin.

STATEMENT OF LON J. HARDIN, NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS, FORT SMITH, ARK.

Mr. HARDIN. Chairman Humphrey, of course it is a pleasure to be here. I too am a past president of NADO, and of course do support Mr. Esele's fine statement.

I would like to just comment a little bit about our particular area, because I think it is an area in rural America. However, our SMSA county compared to Duluth is four counties in two States. Fort Smith is our metropolitan area. But we encompass rural counties. It is 89 miles from Fort Smith to the little town of Pekoshee, Okla. And they don't even want to join the people of Fort Smith. Pekoshee is about 200 people. We have been in existence 5 years also. Our rural counties contribute about $2,000 per year, per county, to our organization for local funds. What we have is a situation of where the metropolitan county puts up the majority of the money for local funds for which we match Federal programs. With that $2,000 they bought a piece of a staff of around 20 people that were in professional positions—we have Ph. D.'s on the staff, we have urban planners, we have environmental specialists, we have specialists in the field of economics, outdoor recreation, and down the line. We have created this within 4 or 5 years. And suddenly—of course it looks like the local training we have been giving the people out there to get together and set their own priority is going to be negated by this piece of legislation.

I comment. I notice section 312 in the act, 1612, does state that rural community development funds may be used by State or local government as matching shares for other Federal grant programs which contribute to the rural development. That leaves it a little vague there as to what is going to be left after they fold in these major 11 rural development programs. So there is a little question to us as to how and what we are going to have left.

In our particular eight-county area in two States I think you will find about the same thing as you would find in other districts. Fifty-seven percent of our housing in the area is either substandard or obsolete by virtue of being over 30 years old, and it must be replaced within the next 10 years.

So we need housing, and we need public health services, we need sanitarians, and we need some of the categorical grant programs. What we have seen up to now on this first step of revenue sharing is something that we have a great fear of. When you turn this program of revenue sharing to the Governor—and he, of course, is a very fine Governor,

but in the situation of emergency employment in Arkansas, he passed through a major portion of the funds to the county judges. And we have seen the doggonedest program of roadbuilding and operators for front-end loaders in the past 2 months. In other words, this is one of the fears. We have been working toward planning what our priorities are, and yet you are going to find through this type of program long range planning objectives that will provide drug abuse officers, mental health people, LPN's, nurses, and we are going to put on a few more street bidders and garbage collectors, and, of course, they are also needed.

Just as an example, we had $238,000 allocated to our eight-county region to our Emergency Employment Act. And $216,000 of that went to our one metro county. And we have a combination in the other counties of 24 jobs, allocating these 24 jobs to a county judge. And when you give it directly to him, most likely—in fact in our district it all ended up on the road crew and this was the end.

Because we have had planning we have called these people together and they are modifying their plan. We are going to end up with sanitarians in each county to look at the restaurants and public health services that we didn't have. We are going to have ambulance services, public health nurses and things in the areas where we have not had them. The only reason we have been able to do that was because we had worked with these judges and talked to them about planning. The boards got together similar to what they did in Oklahoma and went out locally and solicited the elected officials to look, the real priorities need may not be to put on another road patrol operation, let's look at some solid waste disposal programs.

This I think is probably indicative—we feel like we are all rural America, even though our largest city is 64,000. It would be a metropolitan area. That is only half of the population of our SMSA, and the other three counties are extremely rural counties. They are going to be knocked out of this bill entirely, because they are a portion of an SMSA. We appreciate the fact that we do intend with this bill to cut some redtape. We also recognize the fact that if it had not been for these districts or regional programs that were going out there, there would be very few planners out there at all, and it would be extremely difficult for county judges and elected officials to try to keep up with the mass of programs. However, there has been a reaction and a system developed now that is workable. We have in Arkansas, as in many of the other Midwestern States, eight planning and development districts. They are fully staffed and are competent. And for the first time they have brought professional assistance people to the local level. Now, the main difference is this—and I have worked for Federal Government and for State government and local government for the past 15 years—for the first time we have professional people locally hired. They are responsive and responsible to the people in the district that they are serving. In the past even myself when I worked for State level and Federal level, I have to admit that agency survival or State program survival came a little bit ahead of the local people's needs. And in this bill I see no real assurance that this ability to go out and hire professional planning services that are responsible to local people will be retained. I am afraid that human

nature might get in the way and we would be looking at very short range programs for a majority of the money.

Senator HUMPHREY. Just so we get the record clear here, what is your overall judgment now as to what this committee or subcommittee should recommend in reference to S. 1612.

Mr. ESALA. Personally, I would recommend that the committee reject S. 1612 as it is right now.

(Off the record)

Senator HUMPHREY. I was asking you for your general observations on S. 1612.

May I ask, first of all, have you studied this bill carefully, Mr. Esala?

Mr. ESALA. Yes, sir.

Senator HUMPHREY. Your general observation, Mr. Esala, was——

Mr. ESALA. I didn't have a chance to finish it.

Senator HUMPHREY. All right, let's go through it.

Mr. ESALA. You have got to realize that we are talking about a provincial point of view. This bill is designed so to speak to help the local people. But I believe that between the stated purposes of the act and the performance that the projects there is an incredible gap. And just on that alone, and for other reasons that we stated earlier, we would have to stand opposed to S. 1612 in its entirety.

Senator HUMPHREY. Do you think that this act would promote multicounty or regional operation?

Mr. ESALA. No, I would think that it would destroy it, because it gives too much power to the State governments.

It appears to me that the whole revenue-sharing package is designed to strengthen Governors in metropolitan areas, and it leaves rural America holding the bag again as in the past.

Senator HUMPHREY. Mr. Hardin.

Mr. HARDIN. I would agree with Mr. Esala. In the bill it is the States directly that the duties and authorities of such planning boards as may be established shall be determined by the Governor of each State. The bill just does not guarantee any form of delivery system past the Governor's office. And if you get in to this type of situation this means that you lose any continuity of professional staff planners, because Governors are subject to change.

Senator HUMPHREY. And Governors do change?

Mr. HARDIN. And Governors do change. And you find all of the normal human frailties of man coming in to it. We have seen it happen in a couple of States, even under the District program, that where the State legislature passed the bills giving the Governors broad powers, everywhere you had one elected you had a complete disruption of all continuity of planning services.

Senator HUMPHREY. You mean when there is a change of administration you will find that happening?

Mr. HARDIN. Right, this is true. For the first time within the past 5 years with these local planning districts that have been created—and I say created by the Public Works and Economic Development Act—in Rudy's case he only gets about 6 percent of his funds from that particular act, while in my case we get about 10 percent. So we are very broad in my particular case we have about nine categorical planning grants from other agencies. But for the first time it has

allowed the local people to go out and hire some competent people to speak for them.

Senator HUMPHREY. Wouldn't this bill (S. 1612) take those categorical grants and put those in the hands of the Governor for the purpose of allocation?

Mr. HARDIN. That is true. And that is why I would say for our part of the country, for rural America, we would have to oppose this bill in its present form.

Senator HUMPHREY. Don't you think the Governor would look with favor upon grants to your rural multicounty agency.

Mr. HARDIN. Well, let's say we just had the first example in the Emergency Employment Act, and he did not, in Arkansas. We have a fine Governor, and he happens to be from my district and has known and worked with my district. But he saw his share of $2 billion out there to do something with. And as a human being he did something with it.

Now, we are getting around to the point of using some planning and discretion on that fund. But the money had to be allocated so quickly that they did it with improper planning on that particular case. And I am saying, if he has to move that fast, then any other Governor would have to do the same thing. I am saying that long range priorities are shoved into the background, and you tend to do what is politically expedient at the time. I would do the same thing, probably, were I in such a position.

Senator HUMPHREY. Is it possible that you might have a Governor who is very strong for your multicounty planning, and he would allocate funds, and then you might get one next time that just wouldn't?

For example, as you know, there is one section of our State that is diehard opposition to multicounty planning. It became a very serious problem in the last election.

Mr. ESALA. Yes. And here is one point that you brought up earlier, that the bill says that you will not get the same level of funding—the same level will be permitted for the State as is presently being permitted. We will be guaranteed that level, not more, but that level. But the regional commission and the metropolitan council are receiving the funds. Minnesota is designed into 11 regions, and there are only two operating, and we would have to divide up our funds if the level isn't increased with the other nine regions, and thereby reducing our share that we built up over the years with the Federal agencies. And that is the main point. We cannot depend on the Governors of our States to carry through. And if you put the power of planning into the Governors office you take it away from the local people. And we are talking about local autonomy, let's make our decision at home, we don't want it made in the Governor's office or the White House, we want it made at home. And this bill does not allow us to do that.

Senator HUMPHREY. Mr. Price.

Mr. PRICE. Senator, in response to the question that you put to one of the prior people testifying before you this morning, I think—again to reiterate, the intent and purposes of cutting redtape and streamlining the Government in revenue sharing, conceptually we do favor—and I think that has been repeated three times here this morning.

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First of all, let me say that I think a better delivery system has to be made than is presently exemplified in 1612. And if nothing else, at least make these plans that are called for in 1612 approvable by both the legislative and executive branch of State government and not the executive branch only, at least make the elected official at the State level as responsible in the legislature as the chief executive officer of the State, at least that before the committee reports it out.

Senator HUMPHREY. Any other comments, gentlemen?

Mr. HARDIN. Of course I would like to go on record as much preferring Senate 2223, because it does keep intact the delivery system and suggest an expansion of a local delivery system. Under this one, Senate 1612, it is vague, it may well happen, but it doesn't require it to happen.

Senator HUMPHREY. Thank you very much, gentlemen.

Is Mr. Whisman here now?

Mr. Whisman, we welcome you to this subcommittee. You are the State's regional representative of the Appalachian Regional Commission.

STATEMENT OF JOHN D. WHISMAN, STATES REGIONAL REPRESENTATIVE, APPALACHIAN REGIONAL COMMISSION

Mr. WHISMAN. Yes, Sir.

Senator HUMPHREY. We have been doing so much with legislation around here. How is the Appalachian Regional Commission? Are you still surviving?

Mr. WHISMAN. The Congress has just given us a vote in both the Houses with only 30 votes lost.

Senator HUMPHREY. I just wanted to get that clear. Because every so often somebody comes up to me and says, they abolished it, and I say, I don't think I voted to do that.

Mr. WHISMAN. No, sir.

Senator HUMPHREY. Thank you very much.

Mr. WHISMAN. In fact, thank you for your supporting action.

Senator HUMPHREY. Mr. Whisman, do you have a prepared statement?

Mr. WHISMAN. Yes, sir.

Senator HUMPHREY. Just go right ahead with your testimony.

Mr. WHISMAN. All right. I will work along with the prepared statement and brief it as much as possible and give you a chance for questions.

Senator HUMPHREY. Thank you.

Mr. WHISMAN. The introductory comment I would like to make, Senator, is that I am going to refer in my statement a few times to a delivery system that we use in Appalachia. It fits excellently upon the past testimony, because our system includes not just the multistate commission, which is a State-Federal joint action commission, but throughout Appalachia we have organized, and we are the first large area in the Nation to have organized, a system of multicounty districts such as these gentlemen describe. They are universal in the Appalachian region.

Senator HUMPHREY. In all the States of the regional area?

Mr. WHISMAN. Yes, sir.

So in addition to a management office, working with the Governor in the State at the traditional level, and the management function in the executive office of the President, through OMB and the domestic council, and so on, our system provides the two connections, the multistate commission between the State and Federal level, the multijurisdictional local development district between the local and State levels. We have originated this district idea in the original Appalachia Act.

Senator HUMPHREY. And you work directly with them?

Mr. WHISMAN. That is correct. They originate plans and projects, which then come through the State. Some projects originate with the State. This arrangement is virtually a form of revenue sharing that has been in action for 6 years. And it is to that major point that my comments are addressed.

Senator HUMPHREY. Let me get this clear in my mind. What you are saying is that your multicounty district, which is your State regional planning operation, originates projects?

Mr. WHISMAN. That is right.

Senator HUMPHREY. That is what we would call local leadership. Those multicounty projects then come up to the State planning level, or to the Governor's office level, is that correct?

Mr. WHISMAN. That is correct.

Senator HUMPHREY. And then from there they are coordinated into the regional commission program?

Mr. WHISMAN. That is correct. And at the regional commission the final State-Federal signoff meets the concern of Congress in that it has been said that those who tax should spend. I think the corollary that maybe hasn't been said, but I would indicate here, is that those who have to provide the services should share in the determination of the spending. Now, we provide for an absolute 50–50 decision at, you might say, the Federal-State level.

The Federal cochairman, who is my Federal counterpart, and I have offices through one door.

Senator HUMPHREY. Just like our Upper Great Lakes Commission, the same thing.

Mr. WHISMAN. Yes, sir. Except that the Upper Great Lakes Commission does not have a States' office, and I think it is deficient in that respect.

Senator HUMPHREY. They have the Federal, the Governors, and individual State representatives.

Mr. WHISMAN. Yes, sir. Our Governors originally began the idea of the multistate commission. And in that process I was serving as an assistant to one of the Governors, and as a chairman of all the representatives of the Governors. This was back 10 or 12 years ago. And so when the Congress formed our commission they did not create this office, but our Governors created it.

And they pay for it completely, 13 legislatures appropriate the cost of my office and 50 percent of the cost of the operation of the commission.

Now, the only title V commission in the Public Works Economic Development Act that has followed suit is, interestingly enough, the Coastal Plains in which three of our Appalachian Governors are working in two commissions. They also have established the Office of State

Regional Representative. And this means that in a full time way the States' interest is provided for in the partnership. The projects are approved by the joint signature of the Federal cochairman and myself.

Senator HUMPHREY. I would have thought that would be a good way all across the country. The Ozarks doesn't do it and the upper Great Lakes——

Mr. WHISMAN. No, sir. They haven't gotten to that yet. But I think they are considering it.

Senator HUMPHREY. Go ahead, Mr. Whisman.

Mrl WHISMAN. I have described really the place of my office in the organization, which I thought might be of some importance.

Senator HUMPHREY. Yes, very much so.

Mr. WHISMAN. I am not here, as I think you might understand, to speak for any or all of the Governors as to their particular views on the pending legislation. Rather, I will simply provide information based on the fact that the Appalachian Regional Commission and its program is specifically referenced and affected by the legislation.

Senator HUMPHREY. Where was that in the legislation?

Mr. WHISMAN. I have forgotten the section number.

Senator HUMPHREY. I will find it.

Mr. WHISMAN. It provides that the commission will continue, but it eliminates the programs.

The Governors on their own, have strongly stated their interest in the application of the successful experiences of the Appalachian regional development program to the design of a national program to provide for a local-State-Federal partnership in program management and for a developmental concept in problem solving in public programs. This would provide a delivery system, if you will, such as these gentlemen were discussing this morning, as a corollary to revenue sharing.

As you know, but stated here as a basis for my comments, the pending legislation provides authorization for continuation of the Applachian Regional Commission but removes all of its program funds. Apparently, the intent is that these funds would be transferred to the States and localities through the revenue-sharing process with the anticipation, further, either (*a*) that the States might adapt the allocation and use of such funds through the process now managed in the Commission, or (*b*) that the Commission would simply be viewed as a useful organization to assist the States and localities in the planning and management of programs, including those funded by revenue sharing.

Although the remaining information in these comments is based on my own views and knowledge, I think it is important that I include here a statement by Appalachian Governors made in a meeting on February 5, 1971:

> In his budget recommendations for fiscal 1972, the President has proposed the consolidation of a number of programs, including those authorized under the Appalachian Regional Development Act, to form the basis for sharing Federal revenues with the State governments to support rural development revenue sharing.
>
> We all fully support the basic concept of federal revenue sharing—
>
> And there the Governors emphasize the term concept—
>
> and we believe the Appalachian program has been one of the finest demonstrations of how states and communities can make effective use of shared federal revenues.

In addition, we believe that the Appalachian local-state-federal partnership structure allows a "decision sharing" mechanism which provides benefits in the shared management of many programs in a way not provided by revenue sharing alone. Based on the successful Appalachian experience, we will be pleased to work with the administration in developing specific recommendations for submission to Congress.

The President's budget contemplates an extension of the Appalachian Regional Development Act—

Which is now in effect—

to permit the continuation of the vital programs authorized under this legislation. We unanimously concur that the Appalachian act must be extended in order to continue work on the task for which the act was initially passed. We believe that many of these tasks can be finished within four years, and therefore unanimously recommend to the President and Congress that the four year extension of the act be approved.

I should say that my reference here to a national regional development program involves a specific plan which is now available from the Governors and which I would be glad to present to your committee in written form so that you can study it.

The intent to continue the Appalachian Commission in the pending legislation is appreciated by those interested in our program, but is subject to questions which cannot be completely answered at this time. This means, simply, that the mere continuance of the commission mechanism does not assure the continuance of the program which has recently won overwhelming support of both houses of Congress. The question goes to the mechanisms involved—the mechanisms very much like those the gentlemen described here.

Whether the program could be continued is not a question of the desire of both Federal and State as well as local participants in the program. The questions go to the mechanisms which make the Appalachian program function as well as it does.

There is no certainty that it would be possible for the State and local recipients of the converted Appalachian funds, provided through revenue sharing, to reassign these funds to the commission or even to program purposes and policies which they might voluntarily develop through the commission. One of the reasons the commission mechanism works is that the cooperative effort of local, State, and Federal agencies can be joined in the commission for the use of the commission's own funds in concert with the funds of individual agencies. Candidly, in addition to the loss of incentive for participating in the joint commission process, there would be sizable and complex problems involved in being able to predetermine the combination of funds—even including the flexible revenue sharing funds—once these funds were assigned to agencies whose mandates are controlled by separate functional policies and statutes. One of the values of the commission, operating as a separate entity embodying joint policy decisions of Governors and the President, is that the commission can work with regular agencies to combine funds available for their authorized purposes and can add the commission's own supplementary funds to meet special objectives for which funding is required in joint projects but for which regular agency funds cannot be used.

It is the glue money that you hear about. I am simply pointing out that, while the idea of revenue sharing intends to make flexible funding available, such funding in the States and localities is likely to be assigned by the Governor or legislature to regularly operating agency

programs. There would still be a need for a responsible mechanism to be able to utilize supplementary funding in order to achieve the kinds of special developmental programing that has been achieved through the Appalachian Commission.

In addition, a major capability of the commission mechanism, not basically provided for in revenue sharing, is the ability of the individual localities and States to achieve multijurisdictional and multi-State program policies as well as actual operating projects.

I am saying that, in my own experience, if you had rural revenue sharing there would still be a need for the commission mechanism with its own program funds as a corollary. This is the thrust of my comments.

Senator HUMPHREY. In other words, what you are saying is that even if all the other sections of S. 1612 were adopted, that the Appalachian Commission should not only have its mechanism but should also have its program funds that are provided in present legislation.

Mr. WHISMAN. Yes, sir. And I am going a little further than that, to say—as I obviously might to defend my own program—please don't undo our program by trying to move progressively to flexible revenue sharing, a concept which we obviously have tried to demonstrate heretofore. I am suggesting that your committee might well study the concept in the Appalachian program, and you might find there the corollary delivery system which will perfect revenue sharing. And you would have an answer to the gentlemen who were just here, because in our system the State does not have control, the Federal Government is willing to pass money down without what are called the nit picky guidelines, but the local people also are given not just a free rein, but a responsible way to organize and plan. And these gentlemen have shown perfect examples in using the development district as the way to make it happen.

This is the thrust of what I am saying. I would like to make just one other point from this statement.

In thinking about this for a long time I have come to this conclusion, and I would like to point this out. There are three fundamental national problems in mobilizing government to deal more effectively with the treatment of our problems. One is the need to redistribute public revenue to assure more equitable proportion to support State and local government in their normal regular operations. This problem can be dealt with by general revenue sharing or by some of the other ideals like Federal assumption of a welfare program.

But the redistribution of revenue should not be viewed as a solution to the other two problems.

The second problem which is the one on which I think we have failed in the 1960's, is the need to provide an organization and policy which will allow the agencies of all three levels of Government to function together, not separately, more effectively, both in the analysis of problems and in the selection of priorities and the design of action.

Here I think the idea that I would suggest is a national regional development program such as our Governors have endorsed.

Finally, the third problem, once you have this organization and a redistribution of money, you need a more effective program policy to bring the money on target to the priorities. Here the word "development," Senator, is the word we use as the keystone. A simple

definition of development must be understood without modifiers like economic or social. Just the word "development," is defined as a process by which the people in an area selectively manage all resources and institutions to achieve any intended change or growth. It is a very simple definition. Because you don't know which resource best relates to the achievement of a given goal, you must consider all of them and set priorities.

You don't know which agency or which level of Government will best come to bear on a local problem. And simply redistributing the money—money is only one of our resources—and by simply redistributing the money you don't get the final answer.

I think that is enough of my written statement.

Senator HUMPHREY. All of your statement will be incorporated in the record.

(The prepared statement of Mr. Whisman is as follows:)

Mr. WHISMAN. I am John D. Whisman, States regional representative on the Appalachian Regional Commission. The Appalachian Regional Commission, established by action of the Congress and the voluntary participation of 13 States, consists of a Federal cochairman, who has an alternate, the 13 Governors each of whom has appointed a State representative and an alternate, and the office of the States regional representative established and supported by the 13 Governors to represent the States in the continuing policy management of the Commission. The Commission has established an executive committee consisting of the Federal cochairman, voting, the States regional representative, voting, and the executive director, nonvoting.

I am providing this statement to your committee to try to be helpful in your consideration of the rural revenue sharing legislation. It is not my intention to speak for any or all of the Governors as to their particular views on the pending legislation. Rather, I will simply provide information based on the fact that the Appalachian Regional Commission and its program is specifically referenced and affected by the legislation.

The Appalachian Governors, on their own, have strongly stated their interest in the application of the successful experiences of the Appalachian regional development program to the design of a national program to provide for a local-State-Federal partnership in program management and for a developmental concept in problem solving in public programs. This idea is, obviously, importantly related to the concept of revenue sharing, for which our Governors have expressed general support. To my knowledge, Governors as a group have not taken general positions in relation to the rural or other special revenue sharing proposals and their individual views would apply.

As you know, but stated here as a basis for my comments, the pending legislation provides authorization for continuation of the Appalachian Regional Commission but removes all of its program funds. Apparently, the intent is that these funds would be transferred to the States and localities through the revenue sharing process with the anticipation, further, either (*a*) that the States might adapt the allocation and use of such funds through the process now managed in the commission, or (*b*) that the commission would simply be viewed as a useful organization to assist the States and localities in the

planning and management of programs, including those funded by revenue sharing.

Although the remaining information in these comments is based on my own views and knowledge, I think it is important that I include here a statement by the Appalachian Governors made in a meeting on February 5, 1971:

> In his budget recommendations for Fiscal 1972, the President has proposed the consolidation of a number of programs, including those authorized under the Appalachian Regional Development Act, to form the basis for sharing Federal revenues with the State governments to support rural development revenue-sharing.
>
> We all fully support the basic concept of Federal revenue-sharing, and we believe the Appalachian program has been one of the finest demonstrations of how States and communities can make effective use of shared Federal revenues. In addition, we believe that the Appalachian local-state federal partnership structure allows a "decision sharing" mechanism which provides benefits in the shared management of many programs in a way not provided by revenue sharing alone. Based on the successful Appalachian experience, we will be pleased to work with the Administration in developing specific recommendations for submission to Congress.
>
> The President's budget contemplates an extension of the Appalachian Regional Development Act to permit the continuation of the vital programs authorized under this legislation. We unanimously concur that the Appalachian Act must be extended in order to continue work on the tasks for which the Act was initially passed. We believe that many of these tasks can be finished within four years, and therefore unanimously recommend to the President and Congress that the four-year extension of the Act be approved.

The intent to continue the Appalachian Commission in the pending legislation is appreciated by those interested in our program, but is subject to questions which cannot be completely answered at this time. This means, simply, that the mere continuance of the commission mechanism does not assure the continuance of the program which has recently won overwhelming support of both Houses of Congress. Whether the program could be continued is not a question of the desire of both Federal and State as well as local participants in the program. The questions go to the mechanisms which make the Appalachian program function as well as it does.

There is no certainty that it would be possible for the State and local recipients of the converted Appalachian funds, provided through revenue sharing, to reassign these funds to the Commission or even to program purposes and policies which they might voluntarily develop through the Commission. One of the reasons the Commission mechanism works is that the cooperative effort of local, State, and Federal agencies can be joined in the Commission for the use of the Commission's own funds in concert with the funds of individual agencies. Candidly, in addition to the loss of incentive for participating in the joint Commission process, there would be a sizable and complex problem involved in being able to predetermine the combination of funds—even including the flexible revenue-sharing funds—once these funds were assigned to agencies whose mandates are controlled by separate functional policies and statutes. One of the values of the Commission, operating as a separate entity embodying joint policy decisions of Governors and the President, is that the Commission can work with regular agencies to combine funds available for their authorized purposes and can add the Commission's own supplementary funds to meet special objectives for which funding is required in joint

projects but for which regular agency funds cannot be used. I am simply pointing out that, while the idea of revenue sharing intends to make flexible funding available, such funding in the States and localities is likely to be assigned by the Governor or legislature to regularly operating agency programs. There would still be a need for a responsible mechanism to be able to utilize supplementary funding in order to achieve the kinds of special developmental programing that has been achieved through the Appalachian Commission.

In addition, a major capability of the commission mechanism, not basically provided for in revenue sharing, is the ability of the individual localities and States to achieve multijurisdictional and multistate program policies as well as actual operating projects.

I would simply call to your attention that, in an opinion based on my own experience in 15 years and in the entire development of the concept of the Appalachian program, there will still be a need for the commission mechanism with its own program funds—along with general sharing of revenue—to achieve the unique and successful program for which the Appalachian Commission has established a reputation.

In 1970 in city and countryside alike, we find ourselves witnessing a historic demonstration of the mismatch of people's problems and the public action taken to meet them. It was out of this kind of mismatch, and the need to right it, that the Appalachian development program concept grew.

In 1960, the Appalachian Region presented a classic case of the failure of public programs—local, State, or Federal—to meet even the most severe and high priority problems of people. In the way major national problems concern us today, the "problem of Appalachia" caught the Nation's attention then. With initiative for special action growing in localities, the States of the troubled region united and proposed to the Federal Government the creation of special policies, a partnership organization and a special program of comprehensive regional development. In 1965, the national administration and the Congress concurred and established the Appalachia program.

Without question, the prime reason for this willingness of local, State, and Federal Government to take unusual steps was the dramatic need for help to the region's people.

However, almost as important in gaining the agreement for action, was the nature of the innovative proposal for the Appalachian Regional Commission—a new arrangement by which a wide variety of agencies in all three levels of government could work together on such an ambitious scale—and for the comprehensive approach to overall program investments focused on a strategy for development and growth.

Now, after 6 years of experience with this new mechanism and policy for public administration, those of us involved in the Appalachian Commission are carefully examining its workability. It is important we do so since it is under consideration and has just been authorized for continuation by the Congress and because it is under review by the Congress as a possible model for a national system of decision making arrangements to deal more rationally and effectively with the critical problems and opportunities of the Nation in the 1970's.

The Appalachian program began, in the 1960's, as a symbol of problems. We think it has worked to become, in the 1970's, a symbol of solutions.

In the course of current debates on how to meet our complex problems, we are feeling a strong and searching spot light on the relative functions of local, State and Federal levels of government; on the different agencies of the executive departmets of government; and on the roles of the legislative, executive and judicial branches of government along with that of the private sector.

One of the chief problems of all of these elements of the total public decision process appears to be a simple lack of money. While there is no question about the current need for more money at all levels, I believe that this has focused perhaps too much attention on the question of how to obtain more money, to the detriment of the question of how to spend public dollars in a way to actually solve priority problems.

The degree to which we can change our ability to solve problems by adding dollars obviously has some specific limits. I strongly believe that—whatever are the upper limits of dollars available—our ability to expand the opportunities for solving problems can be developed far more greatly by the improvements possible in our public management processes for spending these dollars more effectively.

The point is that we cannot consider the problem of obtaining enough public revenue separately from the question of how best to organize for the expenditure of that revenue. We cannot consider the reorganization of the Federal Government separate to the questions of needed reorganization for effective action in State and local governments. To go further, in today's "national Nation," we cannot consider rural problems separately from urban problems; we cannot consider changes in public action without reevaluating new approaches required of private enterprise and institutions and we cannot properly consider the problems of any special group in our society without considering the means to develop greater opportunity through participation in the making of that opportunity by all sectors of society.

The point is that, the complexity and severity of the problems we want to see solved is such that they can be met only if there can be a complete and efficient mobilization of the three levels of government, of both the executive and legislative branches, and of public and private agencies. There are three fundamental national problems in mobilizing government to deal more effectively with strategic treatment of major problems.

1. *The need to redistribute public revenue to achieve more equitable proportion to support viable State and local government in their normal, regular operations.*—This problem can be dealt with by general revenue sharing or by such other possibilities as Federal assumption of welfare programs. But this redistribution of revenue should not be viewed as a solution to the other two major problems.

2. *The need to provide an organization and policy best to allow agencies of the three levels of government to function together more effectively, both in the analysis of problems and in the selection of priorities and program actions.*—An effective step toward this organization and mobilization of all three levels of government can be observed in the concept of the Appalachian program. This idea could well be applied as a corallary to general revenue sharing through the establishment of a national regional development program—with a transition period of at least 1 year for it to go fully into action.

3. *The need to establish more effective program policies and actual program design to relate public resources and public decision making to the identification and treatment of priority problems in a practical way.*—(These problems tend to be in broad categories like poverty, unemployment, environmental improvement, urban development, et cetera, rather than in the narrow categories such as health, education, transportation.) The "development policy" employed in the regional development concept provides an effective new policy basis for achieving this end. The Appalachian experience has demonstrated that this concept can deliver public decisions and public dollars on target to selected public problems.

In brief, the regional development concept can be applied to a national program approach which will deal effectively with all three of our strategic programs needs—the sharing of resources and decisions; the mobilization of the three levels of government for action; and the design of special and concerted programs geared to major strategic goals.

In view of current concern with revenue sharing it must be stressed that the regional development approach is not an alternative. Rather, the two approaches are compatible—and essential—corollaries if we are to achieve an effective system of effective programs. But this means, in my own opinion, that the benefits of general revenue sharing should be added to the broad framework of public programs without eliminating the effective level of funding for such a program as the Appalachian program. This program has not only unique demonstration of the concept of sharing revenues but—in a way superior to that of simple revenue sharing—it has demonstrated decision sharing" as our Governors have said. It has brought together the levels of government, provided for practical joint programs by multiple agencies, and has mobilized concerted action on priority targeted objectives.

I hope these comments are useful to your consideration and improvement of the pending legislation. Before hearings of the Senate Public Works Committee in consideration of the legislation authorizing the Appalachian program, I have presented more detailed suggestions on the application of the Appalachian program concepts to a national development program and I can make this information available if you desire it. I believe this could provide improvement in the use of revenue sharing and would provide a management mechanism in which the sharing of resources and decisions could support action geared to a balanced national development policy.

Senator HUMPHREY. We have Senator Allen with us.

Senator, do you have any questions you wish to ask of Mr. Whisman.

Senator ALLEN. I want to congratulate you on your statement. I have been reading it. I am sorry I was late. I have been tied up with other matters. I am delighted that the Congress and the administration has been inclined to allow the Appalachian Regional Commission to continue. And I think that the points you have made regarding its role certainly are well taken.

I might say too that I feel that this is one Federal program, among others, of course, that does have the wholehearted backing of the people of the area that it serves.

Mr. WHISMAN. Thank you.

Senator ALLEN. And we are real proud of the Appalachian Regional Commission. And we feel that the solutions that it has offered to the problems of the region, is the reason that the Congress and the administration are willing to go ahead with this separate program rather than to fold that into the rural revenue sharing.

The concept of action by the Commission, its ability to handle the matter on a regional basis, and its use of funds on a regional basis, would seem to be one of the cardinal features of the plan.

You make the point that if this money does go to the local governments that there would be no assurance that they would reassign it to the Commission. And obviously they might not. Because they have other agencies that they might use money on. So I feel that the important work of the commission, the role that it is performing, has been responsible for this attitude on the part of the administration.

Your comments, of course, are confined only to the Appalachian Regional Commission?

Mr. WHISMAN. Not exactly, sir.

Senator ALLEN. Do you wish to comment on the other aspects?

Mr. WHISMAN. I will be brash enough to suggest, if I may, that in addition to just how it affects our Commission, I am saying that in our region, through our program, we have a corollary delivery system that makes revenue sharing work. I would suggest that revenue sharing, if enacted, would still need this kind of a delivery system throughout the United States. So I am going a little further than just to say, take care of our region. I am suggesting that the regional development program is not an alternative to revenue sharing. But it is a necessary corollary. I think much of your testimony has gone to the need for a delivery system. We would like to preserve ours, but we don't want to keep it uniquely, we would like to see it come into wider use throughout the Nation.

Senator ALLEN. You would feel, then, that keeping the Appalachian Regional Commission out of the revenue sharing and going ahead and enacting revenue-sharing legislation, that certain portions of that program should be implemented through the facilities of the Appalachian Regional Commission; is that correct?

Mr. WHISMAN. Yes.

Senator ALLEN. That, then, would beef up the Commission, would it not?

Mr. WHISMAN. That is right; yes, sir.

Senator ALLEN. And have it performing a still larger role in this concept of revenue sharing?

Mr. WHISMAN. That is correct. And our Governors, while they support the revenue sharing, support this corollary as well. So it is not——

Senator ALLEN. On the rural revenue sharing, and the unfolding of possibly a hundred existing programs, what assurance is there that these programs would be carried on with money placed in the hands of the local governments.

Mr. WHISMAN. I think, sir, if my suggestion were followed, that this delivery system be set as a corollary to revenue sharing—and I mean as corollary to general revenue sharing as well as the special programs. You would have to look realistically to the experience of the Appalachian program in the last 6 years, and ask the question

whether we have delivered on target to the things we were charged to deliver on, whether we have done that efficiently, and whether we have been responsive to our local people.

And if the answer to those is yes, as we think it is, then I think you would have found a corollary here.

Senator HUMPHREY. What is the point, though, if you take these special revenue-sharing funds and put them over in the office of the Governor, if that is what you are really doing, is there any assurance that these programs will be carried out.

Mr. WHISMAN. No, sir; not in my opinion, because the Governor is subject to working with the State legislature, and the local mayors are subject to working with their councils, and you would have great difficulty in seeing, for instance, a national development policy come into being, because there is nothing about revenue sharing by itself that assures the joining of the interests and the resources and the ideas of all three levels of government.

Senator ALLEN. This money that the local governments would get, having been spent on other needs, would there not then be a demand that these existing programs be reinstituted, and we would have to go back to them as well? I am speaking of all programs that are now popular with the public and now have public support.

Mr. WHISMAN. You pose there of course the key problem that you gentlemen are wrestling with in the Congress of the United States. In the 1960's this was a response by the Congress to a great many needs. But the tendency of the first response inevitably is to provide a program for a stated need. So you have many programs.

Now, there is obviously a need for consolidation, for review, and for a means to give both flexibility and functional focus to these programs. I am inclined to doubt that that can be done by fiat in a piece of legislation. But you can set a system for doing this, in which the local people are not given carte blanche, the Governors are not given the money to do with as they would, the Congress, a Federal agency, doesn't take the money and write the guidelines fight to the *n*th degree, but all of these must work together, they must come forward and present to the Congress a plan that states the objectives, and as it happens in our program, 1 year in advance of the spending of the funds the plan must be demonstrated by a state of the projects. We don't settle for a plan. Our States and localities come forward and say, next year the money we anticipate being available will be spent for these projects for this reason, because of our plan.

Now, I think you would get the purposes, sir, of the programs that you have enacted this way, and you would have to go through a period of watching to see this action take place.

I think that the word "transition" is extremely important. Both revenue sharing and the enactment possibly of a national delivery system of this kind would require a year of working, and you would have the existing programs instead of consolidating them into rural revenue sharing.

If you could go this much further you leave them in. But you would allow them to begin to be managed by this system, the agency. And as you watched that happen you might then convert some of those programs to a more flexible form, if you were assured that the purpose for which the program was enacted would be served by this system. I think it would be.

Senator ALLEN. Your suggestion, then, would go just exactly counter to the concept of revenue sharing, which would be to leave these programs to sink or swim subject to the whims and wishes of the local governments. Is that not right, to place the money in the hands of the local governments and allow them to support those portions of the existing programs that they approve of, and to plow it into other programs, not necessarily the very same ones they see fit to employ or support?

Mr. WHISMAN. To try to give you a specific answer, my feeling is that that would not necessarily be productive, as referenced for in the rural revenue sharing program.

Senator ALLEN. Yes. But your suggestion is exactly the opposite of what the present concept is, is that not right?

Mr. WHISMAN. Of rural revenue sharing it is different. I would hesitate to say it is absolutely.

Senator ALLEN. Considerably different.

Mr. WHISMAN. Yes; because I would see in transition a time when these programs might be amalgamated into a different system.

Senator ALLEN. It still leaves the Federal Government having the ultimate and final control over whether the program is instituted, whereas this concept allows the local governments to determine it.

Mr. WHISMAN. That is right.

Senator ALLEN. And the possible abandonment of a number of existing programs, such as the popular and successful Appalachian program.

Mr. WHISMAN. Yes, sir. I think that without a transition, and without a delivery system, both the local people and everybody would have trouble making that transition from undoing a program to starting a new way to manage it. And the reason I say I am not necessarily counter, I suggested a transition, that if general revenue sharing were enacted, and as a corollary you created this delivery system, you leave rural revenue sharing alone as proposed in them, and then see how to fit it in after you have done the other two.

Senator ALLEN. The State, though, would not be interested in plowing the money into an Appalachian commission if they were not assured of getting that same money or more back into their State, would they?

Mr. WHISMAN. That is realistically correct; yes, sir.

Senator ALLEN. So it would be pretty hard to see how you could act as a delivery vehicle.

Mr. WHISMAN. Unless we had program funds of our own. And all of our program funds, of course, must be used in what is called supplementation.

Senator ALLEN. That, then, in essence means the beefing up of Appalachia, isn't that right?

Mr. WHISMAN. Yes, sir.

Senator ALLEN. Thank you.

Senator HUMPHREY. Mr. Whisman, I think your discussion has been very helpful to us. It concentrates on what we heard just a few minutes ago from Mr. Esala, Mr. Hardin, and Mr. Price. The whole thrust of it is that S. 1612 places full discretion in the hands of the Governor as to what will be done with the funds that are consolidated. You are suggesting that you start with your multicounty

planning units, which are then coordinated with the States, and then coordinated with your regional commission (Appalachia), this approach provides for programing the proper use of funds—with local in-put—as to how the planning will proceed.

Mr. WHISMAN. That is correct.

Senator HUMPHREY. So you are trying to get the best of two worlds.

Mr. WHISMAN. Yes, sir. And that would give you a delivery system which, when put through revenue sharing, would allow you to approach the management of many programs that here are simply pulled together without the delivery system.

Senator HUMPHREY. Thank you very much, Mr. Whisman. I appreciate it very, very much.

I want to thank you for your help with respect to the rural coalition matter too.

Mr. WHISMAN. Thank you very much. And I congratulate you on that case.

Senator HUMPHREY. Mr. Wax, we were going to have you testify this afternoon. But since we are here, would you like to come forward.

Mr. Ray Wax is president of the National Association of Farmer Elected Committeemen, from Newman, Ill.

And I remember seeing you here not long ago. I am happy to see you here again.

STATEMENT OF RAY WAX, PRESIDENT, NATIONAL ASSOCIATION OF FARMER ELECTED COMMITTEEMEN, NEWMAN, ILL.

Mr. WAX. This is Mr. Ernest Wilhelm, my national secretary, and Mr. Robert Koch, Jr., who is an official with our group.

Senator HUMPHREY. And Senator Allen is here with us too.

Proceed, Mr. Wax, with whatever you have in mind.

Mr. WAX. Mr. Chairman and members of the committee, I am Ray Wax of Newmen, Ill. First, I am a farmer and operate 640 acres devoted to corn, soybeans, and registered shorthorn cattle. Second, it is my privilege to be chairman of the county ASCS Committee to which position I have been elected by the farmers of Douglas County. Third, it is my high honor to be president of the National Association of Farmer Elected Committeemen. I know all members of the subcommittee are aware of this, but for the record I would like to point out that there are approximately 8,400 county committeemen and 100,000 community committeemen elected in the 2,800 counties where our Nation's farm programs are administered. Our association covers 31 States and will soon include all 50 States. Our membership is made up of present and past county and community committeemen that have served farm programs. We have two main objectives and that is for a sound farm program to first benefit rural Americans and second to be of value to all our citizens.

It is a pleasure for me to testify before this distinguished committee today and I am proud to know this group of men represent so great an interest in the Nation's agriculture. Therefore, I count you as a friend of my industry. I am sure this committee is cognizant of the severe economic plight that is facing the American farmer. To dwell on this topic with facts would consume all my allotted time, therefore, I hasten to the subject of revenue sharing.

We as an association of men who are the closest to the farmer and his program participation are opposed to the administration's revenue sharing proposals. We oppose both the general revenue sharing proposal, which is currently pending before the committee, as well as the bills on "special" revenue sharing that are pending before other legislative committees. Although the administration's revenue sharing proposals were submitted to Congress in seven separate bills they are interrelated in such a way that it is unrealistic to discuss them in isolation from one another. Furthermore, the administration's proposals for reorganization are related to and inseparable from revenue sharing.

As I travel this great Nation and confer with governors of States and mayors of our great cities I find their greatest need is additional money to satisfy the demands of their people and for the services they request. In taking my position I recognize the plight of the cities in meeting the fiscal crisis that is upon them; but I feel alternate solutions to this crisis can and should be adopted. Revenue sharing, I think, is the wrong way to accomplish fiscal relief and reduction in "administrative redtape." I am sure that just additional funds remitted to the various States will eventually be deterimental to my farm people.

Mr. Chairman, I think revenue sharing is bad in principle because it diminishes the progressive role of the National Government in our political system. I am proud to state over the past several decades this country has made progress in so many fields due to leadership of our National Government.

Basically, Mr. Chairman, I feel the conservation of our greatest natural resources, our land, streams, and forests, which has been directed by a national policy through the U.S. Department of Agriculture with the ACP and now the rural environmental assistance program, would be jeopardized by the adoption of a "no strings attached" revenue-sharing system. Funds appropriated by the Government and matched by the participating farmer have been instrumental in saving our fertile soil, controlling our water supply, increasing our forest acreage, developing our recreational areas for an ever increasing urban demand, and at the same time producing the most abundant food supply at the best relative price of any nation in the world. These above-named funds have never been adequate for this most constructive agricultural program. At times in the past, and even today, men have doubted the necessity of maintaining these great resources by unwarranted requests for reduction of funds or a complete elimination of the conservation program. In fact, at present, I understand there is an impoundment of funds in many States where conservation is badly needed. Under the revenue-sharing proposals, the basic conservation plan of our Nation's farms, streams, and forests, could be put aside, at the discretion of the individual States, by men who do not understand conservation. It is doubtful that the urban dominated State legislatures will be very concerned about rural development. With the proposed elimination of the ACP–REAP, many ASCS county offices could be closed. And remember, these offices administer price support, acreage control and many other programs in addition to ACP–REAP. Let me remind you that the ACP–REAP is the only Federal agricultural program that exists in every county across our Nation. Office closing would eliminate the ongoing staffs which in the past have handled the

emergency drought program, rural civil defense, and even today are the ones designated to answer questions at the rural level about the administration's wage price freeze.

I know that workable alternatives to revenue sharing will come forth from this committee and will be approved by Congress. I am concerned for my people, the farmers of this Nation who are being forced from the lands because of a lack of net farm income. I do grant that reorganization of our USDA could be justified in the eyes of our farmers so that the people of this Nation would know what services are correctly charged to the Department. However, in the words of the great Abraham Lincoln who came from the rural area of my home State of Illinois and respectfully stated "A Nation cannot stand divided" therefore in respect to this dynamic leader I cannot see the Department of Agriculture divded to fall prey to those who would destroy farm programs.

My life has been spent in agriculture and for my people to go without a sound farm program and the loss of the Department would be in comparison to going to the Capitol to catch a bus to the moon with a Holiday Inn reservation awaiting your arrival. President Nixon said in Illinois, "When you stop trying to be No. 1 you admit defeat as an individual." As that individual today I humbly request you to keep the Department of Agriculture and to help improve and maintain the conservation of our Nation's greatest industry by your distinguished leadership.

Senator HUMPHREY. Mr. Wax I gather from your testimony—which was not too difficult to understand it is rather pertinent and concise—that you oppose S. 1612.

Mr. WAX. We do form the standpoint of returning the funds and with a no-strings attachment back to the State government.

Senator HUMPHREY. And while we are not discussing the matter here today nor do we have jurisdiction over the legislation relating to the consolidation and elimination of the Department of Agriculture I gather from the thrust of your remarks that you are not in favor of that.

Mr. WAX. Mr. Humphrey, I couldn't come to Washington today and represent the people back on the farms across this Nation, the greatest industry of our Nation and say that I would be in favor of doing anything to eliminate the Department of Agriculture. We talk about revenue sharing; we talk about values; we talk about the economic plight of my people and the loss of 52 cents a bushel today of corn, on 5 billion bushels. So if you would go by the figures that people smarter in the economic field hand down to us and multiply this figure by seven times the effect it has on our economy is $21 billion in purchasing power.

I think this is one of the greatest things to help rural America and all the people.

Senator HUMPHREY. I was down to Worthington Minn. Saturday. It is in the corn and soybean area. And we used to raise a lot of turkeys down there not as many as now but we have what we call a turkey day. And while there I learned that the price of corn has been just plummeting downward. What is happening in Illinois?

Mr. WAX. You remember when I was here 2 years ago asking to put a price support under corn a dollar and 8 cents a bushel. And

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finally I said we in agriculture could get along with no price support if industry could get along with no minimum wage. Now corn ranges from 91 to 96 cents a bushel.

Senator HUMPHREY. Isn't it interesting that you can have that drop in corn prices, and when I pick up the morning paper there is not one thing in it about that problem. That is a fact. The largest newspaper in the United States, the New York Times. If it were to carry a story about agriculture it would probably get two lines hidden somewhere probably in the want ad section.

Now, that drop in corn prices in my State is worse than any amount of unemployment or any amount of inflation to our economy. I mean if you really want to talk about what is hitting the people of Minnesota. But you know the poor farmer—I just go beserk about this half the time—nobody seems to care. It doesn't even get a little notice. If wages drop 10 percent tomorrow morning, that would be a banner headline.

If profits of industry were to drop 5 percent, or the market were to go down 10 percent, everybody would get excited. But the farmer takes this whipping and they just look at him and say, well, how are you doing? And I saw the other day where the President indicated with respect to our foreign trade that somebody said there might be some retaliation, because of the 10 percent import surcharge and he apparently said, well, I think the farmer can take that. Well, how much can you take? I thought we ought to get this in the record today too. I don't think there is 10 people in Washington outside the Department of Agriculture and a few Members of Congress that know that corn prices have been going down the drain.

Mr. WAX. It is a sad situation in the rural communities of this Nation. These people do not know what to do. They have never walked in a strike line, they have never refused, or turned down the production that their country demanded of them in war or peace. I am most proud to represent this group of people, and I am the closest to them. I could give you some facts of pricing. Mr. Connally recently stated, to set the price of a product you establish the profit to that industry. This is true in agriculture.

I agree with you, across this Nation economists feel that farmers and farm families don't understand the difference between a dollar corn and a dollar-and-a-half corn.

And if you are going to stay in farming today you can't be that gullible and continue farming. A man close to me, related his father spent $19,000, for a 170-acre tract of land. This young man just spent $24,000 for a combine. He is going to try to do his work and some custom work of his own to pay for this machine. Industry is going to have to realize that the farmer has got to have money to buy the equipment they are building.

And we are certainly proud of our world trade. We are going to have to look into this surcharge. And I am sure that there was opposition met—Mr. Connally is meeting overseas with European nations—and if we lose the 1 acre out of 4 that is exported, this Nation is going to be dragged into a depression a lot worse even than in 1932; I am old enough to remember that one when I helped milk 23 cows by hand to help pay the farm hand. And we hoped the mailman didn't bring us another bill. So I understand this.

Senator HUMPHREY. Senator Allen, when I was home down in Nobles County, the southwest part of our State—it is beautiful down there, it is really the most fertile section of our State—I was told by the editor of the paper, Mr. Vance, that in the last 5 years, 200 farm families from that county have left. And the rate of disappearance is up now. I talked to farm families and individual farmers. I was there Saturday from noon to about 3:30. And I had one man after another come up to me on this corn price problem. And they are just beside themselves.

We don't feed all that corn down there, even though we do feed a lot of it. Much of it goes into the market. And then we have this problem of storage. You know that the Department of Agriculture has ordered out of farm storage the 1967–68 corn crops. And we lack sufficient terminal storage space to accumulate it. What is happening is a flooding of corn on the market, and a driving down of prices again. And this is yet another blow to the farm producer.

Well, that is off this bill, but by gosh it really bothers me. I came back here terribly depressed. The finest people that I know in these areas had just taken a whipping, an incredible whipping.

Mr. WAX. They are leaving the farms.

Senator HUMPHREY. I don't know how we get attention down here. I understand how somebody feels when nobody listens to his plea. Because they come to me when I am home as they come to you, and I sort of look at them with a tear in my eye, and I don't know quite what to do. In fact, I was told the other day when I wrote a letter to the Department of Agriculture about this corn situation that they weren't even going to answer it. When I found out what they said I told them I will deliver the next one to them personally and wait for an answer.

Mr. WAX. Can I give you a prediction about what is going to happen. I think that unless this Nation realizes what these people have to have to stay on the farm we are in trouble. I have talked in 10 or 15 States in the last 15 months—I think I have had audiences average 200 people and only three men under 30 years of age were in attendance. If they want to go to corporations, let them look at the record. Sure a farm family is getting the best returns over a corporation, because Mom and the kids drive tractors and haul the grain in and try to help make a living. But I am bringing a 27-year-old son back in my own business, and he is looking with apprehension about retirement benefits and pensions, and so forth, that are not on the farm today. And if you look at the farms today, some people drive by from the city and say, the air is clean, and there is new equipment sitting out here—I served on the FHA board for 3 years, and I can tell you about some of the indebtedness of these young men, and unless the crop price is changed you have no way to pay for the investment in machinery and land.

You have two alternatives. Destroy these people when they drop with indebtedness, or else you give them something that they can live by and keep producing as they have for this Nation. Or the third choice, someday when the farmer says, this is it, there will be no milk, or no meat will come to market. When you have got a 24-hour supply of milk, a 7-day supply of red meat, then this is something

important. I hope it never comes to a food strike, because my people are not that kind of people.

Senator HUMPHREY. I am going to have to depart. But Senator Allen is here, and he is the best friend the farmer has. And I am going to put him in charge.

Senator ALLEN. Thank you, Mr. Chairman.

Senator HUMPHREY. You may want to ask these gentlemen a question.

Senator ALLEN (presiding). Mr. Wax, I gather, then, that you do not feel that the rural revenue sharing proposal as advanced by the administration is in the best interest of the farmers.

Mr. WAX. If we go upon the past record, as your distinguished chairman said here, the recognition given farm people, I know from personal experience, there are greater demands, greater cries for this money. And to go back to solve the pollution or the conservation plan of this Nation, I am sure that Governors are going to have greater pull upon them to put in money in other places. And then too I look at the source from which this money is coming. Today in Illinois we look down 10 rows a quarter of a mile and we lay a $20 bill on it for taxes. I don't know how our farm real estate can carry much more from the standpoint of taxation.

Senator ALLEN. Would this program as advanced by the administration put all of the money provided for these existing programs in the hands of the respective States with only broad classifications as to their use and disbursement?

Mr. WAX. I don't doubt that this would be the way—I don't think anyone is intelligent enough today to foresee 10 years, as we set up revenue sharing, to see in 10 years time the need that is going to be here. Who saw 7 years ago the effort that is being put into pollution now with Mr. Ruckelshaus? I met with him in the White House in March. Who knew what this program was going to demand upon the people of this Nation? And you know what their budget is. Who knows how much more our urban demands are going to be? So I think it is something that you would have to agree with.

But unless this money was earmarked for certain programs—and this is why there are many people that take issue with farm programs—but I think they have been directed at the best possible solution that could be found at the present time.

And I compliment Secretary Hardin on trying to bail this country out. If we would have had the loss in our corn crop that we had a year ago, I don't want to think where our food prices would have gone. Our farmers tried to produce this crop for this Nation, and they have.

And now to come in for such a price drop and loss of income, I think there are some other people that owe the responsibility for this abundance.

When I planted my corn crop, Mr. Allen, this spring I just kind of had a little talk with the Maker wondering what would be there this fall, because I saw the stacks fall and the ears not develop last year. Through the Midwest, 2 weeks of cool weather with the kind of seed corn that we had to plant, has done much to save this Nation's most important feed grain.

Senator ALLEN. Would this revenue-sharing program put the various on-going programs at the mercy of the respective States?

Mr. WAX. Unless there was an order from the Federal Government with specific guidelines, I don't think we in agriculture would have any right to expect it.

Senator ALLEN. The legislation does provide broad general classifications, but not specific programs. But it put the various existing programs in a wild scramble at the State levels to try to obtain for their particular program a continuation of their funds. Is that correct?

Mr. WAX. I don't doubt that this would be true. I have heard testimony here from other groups, people on land development, and people on extension, and the last gentlemen you had here—you have tried to obtain a voice for agriculture in the past year. I sort of realize where the farm people might come upon this totem pole, so to speak. I had a conference with my Governor of Illinois. And he promised me through the director of agriculture that they would make every possible means to see that these funds were directed in this fashion.

I am not opposed to change. Our obligation has changed. And our method of production has changed. I am not opposed to this, but I am opposed to seeing the sale bills appear in our papers and the people disappearing from the farm as they have.

Senator ALLEN. Do you know of any agricultural programs that the administration, that the Federal Government now has that should be abandoned?

Mr. WAX. Of the total outlook upon the agricultural program that the administration fosters today I think the definition of what each program does for this Nation—maybe not the elimination of the program but at least to take an explanation to the people of this Nation so that they have an understanding of what is being done for them and if it should be charged off to the agricultural department. I can quote you many articles of what is being charged off to farm programs and it has made agriculture look bad in this Nation to a group of people who have no way, really organized way, to fight back. I name you your school lunch program. And I name you your meat inspection program. These are all necessary services the same as transportation in the cities. But they should not be required costs on the raw products of the farm people. Sir I have a question. As you understand, the present wage price freeze, the raw commodity is not frozen. The product to the consumer is frozen. Does that mean that where our price has varied on corn over the past year from $1.54 to 89 cents at its low—what will we have to consider as a fair price?—This is a different subject but I would like your distinguished opinion—where will our price be set on this? Do we need a group of people today who run our price up and down or will it be frozen at a level so that I know when I put a crop in the ground and this gentleman from Missouri with me that we will have a certain price for our commodity?

Senator ALLEN. This ia a question I suggest that you direct to Secretary Connally. I feel that he would be the man to answer that. I might state that the President's promise is that the freeze is going to go off on November 15. And it is not supposed to apply to agricultural products the farm produce.

Mr. WAX. Could I leave this impression with this committee, that I am not here looking for—that I am not here looking for $4 soybeans and $2.50 corn. But I am looking for the welfare of farm people who will keep an industry going that some people have forgotten. When I left World War II corn was $1.18 a bushel and I could buy that tractor outfit for $2,800.

I just rode out here with a machinery executive from Illinois on the plane. And that will cost me $11,000 today, to buy this same equipment. And corn is 96 cents.

Senator ALLEN. Now under the rural revenue sharing program I notice you seem particularly interested in the APC program, that is the rural environmental assistance program, which is not widely known by that name. There would be no assurance that this program would be continued would there, if the administration's rural revenue sharing bill were passed?

Mr. WAX. This is the way I understand the proposed measures there would be no assurance.

Senator ALLEN. The same would be true with the various other specific programs now being funded by the Federal Government.

Mr. WAX. You see the farmer matches 50 percent the funds that are given.

Might I just for the record give you a statement from the State of Oklahoma. The annual investment need in conservation in the State of Oklahoma is estimated at $78 million. The 1971 REAP allocation was $4,588,000, about 6 percent of the total need. I am sure you are familiar with Jamie Whitten and his work that he has done for this and I am sure that you are familiar with the efforts that the farm people want to make for the control of the streams and the pollution of the air. There are a lot of people today that don't know that a hundred bushels of corn to the acre takes up 8 tons of carbon dioxide and puts back in 7 tons of oxygen and I think that this pollution program should be directed back in the rural areas to the ACS Office which is established and handled by people who know farm regulations and farm law and who are willing to cooperate with the Federal Government, and I would make this recommendation.

Senator ALLEN. There is no assurance, though, that the ACS program would even be carried on?

Mr. WAX. That is right.

Senator ALLEN. Do you think it wise to abandon or allow the abandonment of these tried and true and well-proven programs?

Mr. WAX. No, sir; I would like to say that I have seen no finer group of program people as I have served 17 years on a county committee. In the many years that I have served I have heard unfair criticisms, and I read you stories here this morning of a hundred thousand committees. I am sure there are probably people right in this room at this moment who say: Look at this number of people who are on the Federal payroll. Let me tell you—and I am sure this gentleman on my right hand here will agree with me—that some of these men have not served one day for pay, but they have still gone out and worked on their own time and given their time to farm program work for their Nation.

So, when I speak of numbers this has been an abbreviated fact by many writers, but when I come to these situations where just last

week in the local paper in Champagne-Urbana, a town of 40,000 people, a university community, where you had a newspaper reporter who reported—how would you like to have a new sidewalk put in? How would you like to have a new roof put on, or maybe a drive to your garage, or something else, with the Government paying half the expense? He was speaking of a plan whereby the farmers in that community matched the funds of the Government. I wonder if you can find anyplace else in this country where people in an industry, at the price they are receiving for their efforts are matching Federal funds 50–50 to get a job done.

Now, go back to your county committees, these men, as I said prior, have seen their offices develop, have seen management and service come to farm people and rural communities and urban people who share in these programs. I have never seen any group of people make the improvement in their conduct, in their ability to handle the job, as I have in the ACSS offices across the Nation.

One other comment: I sat with the Secretary of Agriculture and a distinguished group of farm people in January and February, after he took office, and I know that this man has tried to give the farmers of this Nation the right to produce, and I compliment him. I could not appear before this committee without saying he has made a fine effort to bring forth this Nation's production. I sat with him in some lonely hours a year ago when, if he had failed and gotten a 3-billion bushel corn crop this year, what chaos we would have been in. Again, I thank the good Lord that this did not happen to farm people so that we could have had this kind of poor production to impress upon the people of the Nation how bad things can be. Everyone is the farmer's customer. No other group in America can claim this distinction. Even a person today in the hospital bed taking glucose still is a farmer's customer.

Senator ALLEN. Thank you very much, Mr. Wax. I appreciate you gentlemen coming and appearing before the committee.

Senator Louise Leonard, please.

STATEMENT OF HON. LOUISE LEONARD, MEMBER, WEST VIRGINIA SENATE, HARPER'S FERRY, W. VA.

Mrs. LEONARD. We are interested in this bill in West Virginia and elsewhere. I have my statement which I have prepared for distribution, and I want to testify in favor of this bill, S. 1612. I want to support this, and I speak to you as a senator from the 16th senatorial district of West Virginia, which is an agricultural area. I represent six rural counties in the eastern panhandle of the State.

I am also the president of the planning commission of one of those counties, and so I have worked closely with these Federal programs. Consequently, I appreciate the section of the bill that calls for the consultation and coordination with the units of local government.

I believe that State government should have a primary role in this historic revenue-sharing program, and would like to add that I strongly support the stand taken by the National Legislative Conference, the National Conference of State Legislative Leaders and the National Society of State Legislators, that funds should be channeled from the Federal Government, through State government to county and local

government, and under no circumstances should State government be bypassed in the distribution of funds under the revenue-sharing program.

The overall plan for rural development, and revenue-sharing to achieve it is excellent. We are all aware that the current need for certain public facilities and utilities in our small towns, in our cities and in our counties is greater than that which can be supported by collection of local taxes. For many years the American taxpayers have watched while millions of dollars have gone overseas to assist the underdeveloped nations of the world. It is time now that a greater portion of our tax dollars be allocated to assist the underdeveloped areas of America.

No one can fault a bill designed to increase employment, investment and incomes, to improve public service and facilities, to stem out migration, to promote conservation, to improve educational facilities, law enforcement, housing and health facilities, and transportation. These are all within the areas where people look to their government for assistance. This trend during recent years has led to the development of so many assistance programs that duplication of effort has resulted and local leaders have great difficulty in finding in our bureaucracy the agency which handles the specific programs for their needs.

I believe that to combine many of these programs, as the President has suggested, under the Rural Development Revenue-Sharing Act is certainly a step in the right direction to enable local leaders to find their way through the maze of programs currently offered.

The part of the bill to which I object, however, is the section dealing with the extension service. I oppose this section of the bill, because S. 1612 does not allow for continuity of the extension program as people participating in it now know the program. At present Federal funds under the Smith-Lever Act of 1914 go to land grant colleges.

In our State, West Virginia University administers the program. The State matches these funds and counties contribute to the extension program. In Jefferson County where I live, population approximately 20,000, we have 20 4–H clubs with about 400 members; we have 10 or 12 homes demonstration clubs with about 300 members. We have one full-time county agricultural agent, one 4–H agent, and one part-time home demonstration agent. The Jefferson County commissioners provide office space, phone and travel expenses.

Participants in the present extension programs urge that programs continue to be administered by the land grant colleges because this has worked so well since 1914 and has freed the programs from the politics in which they could become involved should the system be changed from the Smith-Lever Act to the system proposed in S. 1612.

This becomes a question of "Why should an existing, workable, efficient Federal program be changed?" The extension service today certainly fulfills for the most part the needs of rural communities in the areas in which information is provided and I fail to see the need for changing it. There is no indication that a change from the Smith-Lever Act to this bill will bring about a more efficient extension service.

Other objections are that the bill leaves many arrangements to administrative discretion, and as administrations change within the States at election time, continuity of the program could be lost as

new State executives establish different priorities. There appears to be no requirement for a State to continue extension work if the executive decided not to do so.

Extension work which began in 1914 with the Smith-Lever Act is an effective educational system of pooling the resources of the Department of Agriculture, the land grant universities, the various experimental stations and county governments through the local extension staff. It has worked well under the existing act, and I do not think removal of the extension service portion of S. 1612 from the bill under discussion today would weaken the Rural Community Development Revenue-Sharing Act of 1971. Instead it would permit greater emphasis on other facets of the bill in areas of rural development in greater need for change and assistance than the extension service.

I urge the Congress to pass the revenue-sharing legislation and to delete the extension service from the bill since it has functioned adequately under the 1914 bill which established the extension service. Let us spend our resources in areas where attention is sorely needed rather than in areas which are well established and functioning successfully and which have withstood the test of time.

To leave the Extension Service in this bill makes the bill unacceptable to many of the very rural areas it is designed to help; passage will be difficult, if not impossible, and the numerous other benefits of the bill will be lost to the areas which need them the most.

I notice in the earlier discussion here that emphasis has been placed on the fact that apparently people think the Government would be the only one to really have a say in developing the priorities for the State. I want to call attention to the section which makes it very clear that a State development plan must be developed, and that a State development commission must be appointed, I believe this provision, which already exists in the bill, answers the questions raised about one man having control. I do not believe this bill provides for one-man control. I do not think that was the intent of the bill. I think the safeguard is already written into the bill.

Another safeguard in this bill is the section which calls for the accounting of the development commission and the Governor to the Secretary of Agriculture. This is also written in here, that they are accountable for the way these funds are spent. They must make sure that they meet the criteria of the Secretary of Agriculture.

Again, I think this is an excellent safeguard, and a point well taken. Another thing I think in great favor of this bill is this: The fact that these revenue-sharing funds can be used for matching funds is a strong point in its favor.

As I stated earlier, in the small community where I live, the small towns in that county do not have a tax base to raise even the matching funds to obtain the benefits of the existing programs which are available. If they can use these revenue-sharing funds in that manner it will enable them to obtain the benefits that they need in order to provide hospital services, sanitary services, public utilities facilities, and all of the other programs that they can take advantage of if they have funds available.

I think this whole concept of revenue sharing is a unique thing. It should be explored and I hope it will be enacted. We have watched

for many years while programs have been developed through our various agencies. These have been effective in part. I believe that if they are tied together under the provisions of this bill that many of those programs will be administered under this bill. This will make a much more effective operation for the recipients by having these tied together where they will know just where to go to get information and the program they need.

These are the main points that I want to make.

The only other thing would be that there is a definite desire, I believe, on the part of many people to diminish control at the Federal level and to return the government to the people and to encourage the making of decisions by local governments with again the participation of the individuals who live in the towns and on the farms and in the cities which are so badly in need of help and the additional financial resources which this bill provides.

Senator ALLEN. Thank you, Senator Leonard. I think your testimony will certainly be of benefit to the committee and we certainly appreciate your coming and giving us the benefit of your views.

How long have you been in the West Virginia Senate?

Mrs. LEONARD. I was elected last November and I am serving my first term in the Senate.

Senator ALLEN. A 4-year term?

Mrs. LEONARD. Yes, Senator Allen; it is 4 years.

Senator ALLEN. And are you on the agriculture committee?

Mrs. LEONARD. Yes, I am, because of the rural counties which I represent this appointment was given to me.

Senator ALLEN. Mr. Wax was here. He was the witness who immediately preceded you and he was speaking in behalf of the agricultural conservation program, which is now the rural environmental assistance program, I believe, and he was pointing out that under the rural revenue sharing a program such as this would not be guaranteed support under this same setup, that it would have all the various programs contending with the State for preference, and for their share of the available money. What would be your thought about that?

Mrs. LEONARD. Again, as I understand it, these programs that are developed by this commission must be reviewed through the legislature and the legislature does have something to say about their participation in them.

Senator ALLEN. Yes, but the money would not have to be—these programs would not have to be carried out at the local level; that is the theory of the legislation, that it falls into the new program, the existing agricultural programs.

Mrs. LEONARD. I think the new program that is offered here is the one that we should give a chance for its effectiveness, give it every opportunity.

Senator ALLEN. I notice that you want to except out the Extension Service.

Mrs. LEONARD. Yes.

Senator ALLEN. And I believe the administration has agreed to do that, possibly guaranteeing that it gets as much support as it now gets, but possibly not providing for increased support. Are there other programs that are now being carried on that you would also like to see saved?

Mrs. LEONARD. Well, again we are talking about our 4–H program and our home demonstration programs, to be specific. These are some of the ones we are particularly interested in, and the fact that they are covered so adequately by existing legislation I would like to suggest that they be left out of this bill and just continued as they are under the Smith-Lever Act, because there is so much else that needs to be done, and with this bill talking about aid in the areas of transportation and industrial development, and investment in education and everything, it seems to me that perhaps the funds that are available for revenue sharing should go to those purposes, in line with this bill, while the other, which has been operating so well since 1914, should be continued as is.

Senator ALLEN. Who decides that, then? Would that be the Congress or would that be the various States?

Mrs. LEONARD. Well, it has already been decided by the Congress by the enactment of the Smith-Lever law, and it is already being administered through the Department of Agriculture and through the land-grant universities down to the county level. So, my idea was that that structure would remain the same; the administration would remain the same, and separate from 1612.

Senator ALLEN. In other words, you would reserve after, then, the Future Farmers and——

Mrs. LEONARD. Yes.

Senator ALLEN (continued). As a part of the Extension Service? Are they now separate from the Extension Service?

Mrs. LEONARD. I would like any of those existing programs which affect the farmers and the Extension, and so forth, to be continued.

Senator ALLEN. In other words, all worthwhile programs, then, ought to be continued by the Federal Government or by the State after revenue sharing?

Mrs. LEONARD. As I understand it, it was done with matching funds, and we will just continue that.

Senator ALLEN. That is the point though: One of the reasons for the revenue sharing is that the special revenue sharing, in many cases—and I speak to this generally—in many cases a local contribution is required, and that is imposing a hardship on many local governments.

So, the theory of special revenue sharing, is that it would eliminate local contribution and it would go to the State, so there would be no programs to match. That would be the trouble, under the administration's rural revenue-sharing proposal, because these activities would be turned over to the local governments and they would carry on such activities as they wanted, and the Federal Government would be getting out of those particular activities.

So there would not be anything to match unless the Federal Government went on with additional programs.

Mrs. LEONARD. Yes; but as I understand it, the Federal Government would provide the revenue sharing and the funds for these other areas outside of the extension, because the things extend so far beyond just simply the extension programs available to rural communities. That is where I think we need aid. And that is where I am speaking again from, my experience as 4½ years as president of a planning commission of a local small rural grassroots county whose tax base doesn't make it possible for the municipalities to get the money to

put in a new sewer system, let's say, or to get the money for other improvements: hospitals, and such things as that. They just simply do not have the means of raising funds to provide for their needs. And this is the area where I would like to think that revenue sharing will come in and provide these facilities for the people.

Senator ALLEN. But, the trouble is that revenue sharing comes in the main, some 95 to 90 percent from existing programs, so it will not be just a bunch of new money dumped over into the hands of the States.

Mrs. LEONARD. No; I understand that, because I realize that we do have so many programs available for which financing has already been provided through the various agencies; I do understand that. And again, so many times the local community can't raise their matching funds to take advantage of it, and that is why I would like to see this passed, so that they would be able to get that money and use it for matching funds if they want to.

Senator ALLEN. The trouble is, though, that once they pass the money over to the States, they would stop their own programs calling for matching. They can't have their cake and eat it, too.

Mrs. LEONARD. You mean the State would stop it?

Senator ALLEN. No; the Federal Government would stop these various programs, and the States would be given the money that is now being spent on these programs. That is where some 85 to 90 percent of the money would come from and there wouldn't be anything to match because the Federal Government would be out of business in those specific areas, you see.

So, if the State decided to spend its money for one aspect of rural development, there would be less money, then I understand, for other aspects.

Mrs. LEONARD. This is where I think the State development commission is so important. They would be the ones to help establish the priorities and where the money should be spent. It is not as though one person could pick a pet project, shall we say, and say, "Well, this is where the revenue-sharing funds are going to go." Again, I believe there is an adequate safeguard there so that we could get into the areas that we really need and which would benefit the most by the use of these funds.

Senator ALLEN. Are there some of the programs here that you feel the State should move the money from over to a more desirable program, any that you suggest that should be curtailed or eliminated once a program is adopted and is turned over to the States?

Mrs. LEONARD. No; I am not suggesting that.

Senator ALLEN. You want to keep the Extension Service? And I do, too.

Mrs. LEONARD. Yes; when anything has stood the test of time the way this Extension program has withstood the test of time, I think it is a mistake to change it. We have so many other things that we need to be working on rather than to take the time to change something which is already working well. I would rather address ourselves to real programs, such as the need for funds in our small communities and in our rural areas.

Senator ALLEN. I note here in a booklet furnished by the White House itself, that in the matter of the rural revenue sharing, approximately—for the fiscal year 1972 it would propose $962 million would

be provided for this program throughout the country, but one way they were going to get this $962 million was to take $278 million from the Appalachian Regional Commission. You wouldn't be in favor of that, would you?

Mrs. LEONARD. No; I am not familiar with the material that you have.

Senator ALLEN. It sounds like a lot of money, but it is coming from existing programs, in the main.

Mrs. LEONARD. This is what I understood that the President had suggested, that these programs under the general revenue-sharing aspect of this program, the money that would be combined under the revenue sharing is your title V regional commissions, your Appalachian Regional Commission, the Economic Development Administration, resource conservation and development programs, the Cooperative Agricultural Extension Service, the rural water and waste disposal grants, and with regard to environment, your rural environmental assistance program, forestry assistance, Great Plains agricultural conservation programs, soil bank programs, and tree planting programs, that all of these are going to be combined under the general revenue sharing, and that in addition——

Senator ALLEN. Under special.

Mrs. LEONARD. I have the "general."

Senator ALLEN. The general. There is no strings attached at all. Now, this is the special we are talking about.

Mrs. LEONARD. I have the President's message with "general."

And again, in addition to this, there would be that increased funding there, the money already programed for these would be used, and in addition, an additional amount of new money: $179 million.

And when we get down to special——

Senator ALLEN. So that there would be—this book here says: $179 million in new funds, but $179 million divided among 50 States would be an average of less than $4 million a State, you see.

So, it really wouldn't be a whole lot of new money pumped into the economy, and especially when you then give up the Appalachian Regional Commission, and the EDA to the tune of $227 million——

Mrs. LEONARD. I didn't understand it so much as being given up as when we are talking about combining them under this act. I realize that we are talking really about the transition and the changes it is going to make to bring them in under a new piece of legislation; I realize that.

Senator ALLEN. They would not be combined; they would cease to perform their functions, and the State should select those portions of their programs that they want to carry on. That would be the size of it.

But it would be your thought that with the elimination of the extension service from the combination—and I feel sure the elimination of the Appalachian Regional Commission—that it would be in the best interest of the agricultural community and our rural areas to give them more control over the projects and programs that they carry on in the development of their rural areas?

Mrs. LEONARD. Yes; that is my understanding. And again, from speaking to the people in the area where I live and the area which I represent in the State Senate, I really believe that I am speaking

for them in asking that the extension service be taken out of this bill, S. 1612.

Senator ALLEN. Yes; I think very definitely that is going to be done.

Now, do you feel that with these programs, existing programs folded into a new program, and all of them calling on the State to carry on their work, would there not be a wild scramble for funds at the hands of the various States, and some worthwhile programs might be eliminated?

Mrs. LEONARD. I think we have more or less of a wild scramble now where it comes to trying to get the funds from the various agencies which provide them under the existing legislation at the present time. I don't see that it would be any greater or any worse under revenue sharing. And again, the safeguard is in your development commission which, as I understand it, is really where your decisions are going to be made and your priorities are going to be set. Naturally every county and town will be wanting to get their requests in. Somebody is going to have to make a decision, and again, not just some one person, but this commission which was established just for that purpose.

There is no question but what the requests will be coming flooding in, and indeed they are already coming in. Frankly, I think the requests will be answered faster under this revenue-sharing bill than under the existing system where applications are filed and you have to go through so many different steps before the actual funds are allocated and granted, and you are ready to go ahead on a given project.

I have had experience with this, and again with the local planning commission in the county I live, and I think that we will get action faster through funds distributed this way than we are by the present system.

Senator ALLEN. It might expedite it.

Mrs. LEONARD. I really think that it will and I think that the people will respond to this; and will have a greater voice at a local level, because again this is calling for local participation. I think this is very important in the planning process everywhere. I think, too, we have had the present system building up over a long period of years and yet we need to do something different.

I think we all recognize that we have not through the present system solved these needs and met the requirements of county and local government. So that I think that it is time now to look at a new approach and this is the one that has been offered. It seems to me that it has great possibilities, and I believe that it will be a great help to the areas to which it is directed.

Senator ALLEN. Thank you very much, Senator Leonard. We thank you for coming and we certainly want to congratulate the people of your senatorial district for being so wise as to choose you for their State senator.

Mrs. LEONARD. Thank you very much, Senator Allen.

Senator ALLEN. We will recess now until 1:30 p.m.

(Whereupon, at 12:25 o'clock p.m., a recess was taken until 1:30 o'clock p.m., this day.)

AFTERNOON SESSION

Senator ALLEN (presiding). The committee will please come to order. Mr. Longmire, you may proceed.

STATEMENT OF RICHARD C. LONGMIRE, VICE PRESIDENT AND CHAIRMAN, LEGISLATIVE COORDINATION COMMITTEE, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS, PAULS VALLEY, OKLA.

Mr. LONGMIRE. Thank you, Mr. Chairman.

I am Richard C. Longmire of Pauls Valley, Okla., vice president and chairman of the legislative coordination committee of the National Association of Conservation Districts (NACD). NACD represents over 3,000 individual soil and water conservation and natural resource districts, which are subdivisions of State government, and their associations in the 50 States, Puerto Rico, and the Virgin Islands.

NACD is opposed to the passage of S. 1612, the proposed Rural Community Development Revenue Sharing Act of 1971. We believe that such a revenue-sharing program would be at the expense of ongoing Federal programs which are critically important to environmental quality and productive capability on the privately-owned lands of the Nation.

The provisions of S. 1612 would systematically dismantle several major conservation programs of the Federal Government which are functioning successfully and contributing to the public good. There is no assurance that the State governments would use the funds transferred from these programs for the purposes that Congress, over the years, has determined for them. All of the priorities laboriously established to accomplish key public purposes and accommodate the concerns of all citizens and interests involved would be discarded.

One of the purposes of S. 1612 and other "special revenue-sharing" proposals, according to proponents, is the rationalization of categorical grant-in-aid programs. Yet many of the programs that S. 1612 would discontinue cannot be characterized as grant-in-aid programs.

Conservation districts are closely involved in the administration and implementation of several of the programs proposed for discontinuance. In some cases, such as resource conservation and development projects, they are principal sponsors. Yet soil and water conservation districts, as well as other special subdivisions of State government, are specificially excluded from participation in planning for the use of the "shared" funds and in setting priorities for their use.

NACD believes in the principle of local self government. The activities of our member conservation districts are founded and carried out in accordance with that principle. Throughout the Nation, over 18,000 men and women, who are contributing their time and services, are administering the work of the districts.

Yet we realize that assistance from the States and the Federal Government is necessary for success with the tasks of conservation and natural resource development. Experience has proven that a partnership effort among the three levels of government is the most effective way to accomplish our conservation objectives. Each of our districts has entered into a memorandum of understanding with the U.S. Department of Agriculture as a key element in this partnership approach.

In this way, there is a meaningful and effective sharing of funds, commitment, and effort in achieving wise and sustained use of natural resources on the privately owned lands of the nation.

Over the years, NACD has worked vigorously for the establishment of several of the programs involved in S. 1612. Our district officials have fought for adequate appropriations to fund them. We are particularly concerned about the following sections of the bill:

Section 410. This would discontinue funds for the rural environmental assistance program which provides cost sharing for soil and water conservation measures that control erosion, prevent sedimentation, improve the water management, enhance fish and wildlife habitat, and advance good forest management. These funds are designed to aid private landowners in establishing conservation work that not only benefits themselves but also the entire public. If funds are not available for these purposes the installation of important soil and water-conserving measures will be delayed or foregone.

Section 411. This would destroy the Water Bank, a new program just enacted by Congress which was supported by NACD and a variety of conservation organizations. This legislation is the culmination of years of effort to find a way to solve the problem of protecting prime waterfowl habitat from drainage. It protects the interests of landowners as well as those of the public. Expenditure of funds for the implementation of this act, approved by Congress and the President, is even now being held up because of this section in this proposed legislation. Release of these funds, and the speedy implementation of this program, as called for by Congress, are essential.

Section 412. This section would terminate a variety of critical programs of assistance by the U.S. Forest Service to owners of forest land. The timing of such a proposal could not be worse. Currently pending in Congress is legislation, approved by the House Committee on Agriculture, to amend and expand some of the authorizations for work that would be abolished by this section. NACD supports those amendments and has testified in their behalf. In addition, there is currently underway a nationwide effort, called "Trees for People," that is directed toward an accelerated program of assistance in developing the private, nonindustrial forest lands of the country. Section 412 would help sabotage this effort which has widespread support from NACD and other conservation and forestry organizations.

Section 414. This would terminate the Great Plains conservation program which has just recently been extended by Congress for another 10 years. This is one of the most innovative programs in the history of American conservation and American agriculture. The use of long term contracts to insure application of conservation practices in this area of high erosion and climatic hazard has been so successful that the same principle is being considered as the basis for other land treatment programs and for other regions of the country. Conservation districts are intimately involved in the administration of this program, and we strongly object to its proposed discontinuance.

Section 415. NACD is equally concerned about this section which would abolish the Nation's resource conservation and development projects. Here is another innovative and highly successful program, one which has been progressively supported at higher and higher levels of appropriations by the Congress. NACD feels that such projects might in themselves serve as an ideal model for fundamental resource aspects of rural development. They tie together resource development and social and economic progress. They provide for coordination of Federal, State, and local resources. They provide jobs. NACD is

proud that conservation districts are the principal sponsors of every project of this kind in the Nation.

There are other sections of this proposed legislation to which we object also, such as those ending FHA water and sewer grants, Extension Service programs in the field of conservation, the conservation provisions of the Appalachian Regional Development Act, and others.

Although the proponents of this legislation argue that State governments would not necessarily abandon the kinds of work being carried on under each of these programs, there is no guarantee that they would not indeed, do just that. The State planning bodies would have no representation from the local governments most experienced in natural resource development. There would be no consistency from State to State in conservation work that is distinctly regional in nature, such as the Great Plains conservation program. The efficient system of regulations and administrative arrangements developed by the Federal Government to protect the use of public funds and assure that they are spent in accordance with scientific conservation principles would be lost.

In our opinion, S. 1612 could result in the destruction of many of the Nation's most respected conservation and environmental improvement programs. We urge your committee to reject it.

Thank you for this opportunity to present our views.

Senator ALLEN. Thank you, Mr. Longmire. We appreciate your testimony and we appreciate your going to the trouble to come before this committee and giving us the benefit of your views.

Mr. Longmire, do you know of any great demand by the public or from the rural community for legislation of this sort?

Mr. LONGMIRE. I really don't Mr. Chairman; I am a farmer myself, and I associate with a lot of farmer's organizations and farm people, and frankly I haven't seen anyone in the farm community that is in favor of revenue sharing of this type.

Senator ALLEN. It is not a program that had its origin with a public demand to reform the agricultural and rural programs of the Federal Government; is it?

Mr. LONGMIRE. It surely isn't.

Senator ALLEN. Those programs in which you and the National Association of Conservation Districts are interested, in effect, would be wiped out or folded into the revenue-sharing programs. Is there any danger that they will be carried on under State controls?

Mr. LONGMIRE. Frankly, I don't think there is. I think there would possibly be some of the programs, but I think there won't be nearly as much money available.

And we have seen something recently in my State. You know that Congress appropriated more money to the Department of Agriculture and the Soil Conservation Service this year to expand some of these ongoing programs, and there has been a freeze of some of these funds and we are not getting any more than we have in the past. But at the same time, just 2 or 3 weeks ago there were several million dollars sent down to my State for unemployment relief and the rural community got little of it; it mostly went to the larger municipalities and cities.

So, I am afraid that agriculture has got to be left holding the sack.

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Senator ALLEN. Would not S. 1612 require the various States to enact far-reaching new programs to take up the slack caused by the Federal Government getting out of these fields?

Mr. LONGMIRE. Well, we would have to have some kind of organization or bureaucratic setup.

Senator ALLEN. Are there programs in the various States that would permit the States to carry on in these general areas of rural development programs?

Mr. LONGMIRE. I don't think there are in my State; I can't say for all of them, but in my State there are not.

Senator ALLEN. So it would take a vast new revamping of State laws?

Mr. LONGMIRE. It certainly would.

Senator ALLEN. Now, the various programs now in existence would be folded into the new programs. Would there not then be a scramble for these funds at the State level?

Mr. LONGMIRE. There sure would.

Senator ALLEN. Resulting possibly in many other programs now being carried on being dropped at the State level?

Mr. LONGMIRE. Right.

Senator ALLEN. Now, do you care to make any recommendations as to—what is your judgment as to the programs that should be dropped at the State level, if any?

Mr. LONGMIRE. I don't think any should be dropped. Of course the ones that we are really interested in and the ones that I specified in my testimony, we think ought to be strengthened. We think the Department of Agriculture should be strengthened: we don't think it should be reduced to a secondary position in the Cabinet. Agriculture is one of the things that has built this great Nation of ours to where it is and I would hate to see it relegated to a second-class word in our vocabulary the way some people would like for it to be.

Senator ALLEN. If S. 1612 is enacted, it would require a major cutback in U.S. Soil Conservation Service personnel, would it not, in your judgment? That is: if the States do not choose to carry on the programs at the present level, would it not call for a big cutback?

Mr. LONGMIRE. It would call for a big cutback. I presume that these funds, revenue-sharing funds, will come down with A–95 stamped on them, won't they? They will go through the State planning agency.

Senator ALLEN. That will be determined by the various States involved, as to how they spend it.

Mr. LONGMIRE. I am fearful that all of our agricultural programs will be cut back, not only the Soil Conservation Service, but many of the others.

Senator ALLEN. What would become of the various U.S. Government employees now associated with these various programs?

Mr. LONGMIRE. They would be unemployed, I presume.

Senator ALLEN. I don't suppose there is any great demand by the departments involved to see S. 1612 enacted, then, is there?

Mr. LONGMIRE. I wouldn't think so.

Senator ALLEN. Well, the States, then, could eliminate such programs as they wanted to and could strengthen some and drop others, and there would be no assurance that any of these programs would be under control at the State level; is there?

Mr. LONGMIRE. The way we see it there would not be any assurance.

Senator ALLEN. Do you feel that S. 1612 is in the best interest of the farmer and the rural community?

Mr. LONGMIRE. I definitely think it is not.

Senator ALLEN. Isn't there a great demand for money, for funds at the State level now, and would there be a likelihood or a possibility that funds now channeled into the States in lieu of the present government programs would be used to take up some of the slack in the existing programs that the States have, rather than carrying on these programs of the Federal Government?

Mr. LONGMIRE. I don't know whether there would be or not. The people in agriculture are so in the minority today that I am afraid that we are going to have to look to the Federal Government to protect our industry through the States.

Senator ALLEN. Yes, but the point I was suggesting was that this money be channeled through the States, that instead of carrying out the existing programs in some way, fulfilling those needs, that money might be spent in programs that the State already have that are not related to these programs.

Mr. LONGMIRE. I think you are right, sir.

Senator ALLEN. Do you have any suggestions as to how conservation programs and conservation personnel might be utilized to improve and strengthen rural development offorts?

Mr. LONGMIRE. I have some very definite ideas. I think that conservation of our natural resources and our small watershed development is rural development. This creates water supplies, municipal water supplies, and protects not only rural but urban areas from flooding, and it gives us what we think in our State is one of the greatest things there is for rural development: recreation. We think we are improving and maintaining our environment day by day by conservation methods. We don't know whether we want a factory out there or not, but we know watershed projects create jobs, and that the conservation of our natural resources creates jobs. We are proud of our grass and our trees and we don't want to destroy them; we want to conserve them and use them.

Senator ALLEN. There would be no assurance, then, that the States would carry on the important conservation programs?

Mr. LONGMIRE. I think most of the States would, but what type I don't know. And we are real happy with the ones we have now.

Senator ALLEN. So it is your thought: why give up a tried and true program, a proven program for a chance to participate in such a program at the State level?

Mr. LONGMIRE. That is right, sir.

Senator ALLEN. Who seems to be pushing this proposed legislation? We are trying to find out.

Mr. LONGMIRE. Well, frankly, I haven't talked to anyone that has—of course, it has been mainly people in the field of conservation and agriculture that I have talked to. I haven't talked to anyone that has really favored it. So, frankly I can't answer your question.

Senator ALLEN. You don't know of any people who are backing it in the agricultural community?

Mr. LONGMIRE. No.

Senator ALLEN. And I believe you said you did not favor doing away with the Department of Agriculture as a Cabinet position and merging it into some sort of Government reorganization?

Mr. LONGMIRE. No, sir; I am definitely opposed to it.

Senator ALLEN. That would be a further indication of downgrading agriculture in our rural areas; would it not?

Mr. LONGMIRE. That is right, sir.

Senator ALLEN. Thank you very much, Mr. Longmire. You were a splendid witness.

Mr. LONGMIRE. Thank you.

Senator ALLEN. Mr. Pomeroy, please.

We are delighted to have you here before the committee and we look forward to hearing your testimony.

STATEMENT OF KENNETH B. POMEROY, CHIEF FORESTER, AMERICAN FORESTRY ASSOCIATION

Mr. POMEROY. Mr. Chairman, I am Kenneth B. Pomeroy, chief of forestry of the American Forestry Association.

The Rural Community Development Revenue Sharing Act of 1971 has a worthy purpose in that it seeks to improve the quality of rural life. But the methods proposed are not desirable. Therefore, the American Forestry Association recommends that this proposal not be enacted.

The bill recognizes the need for forestry and tree planting assistance, forest pest control, cooperative forest management, Great Plains conservation, resource conservation and development, rural environmental assistance, and related natural resource programs. Yet S. 1612 terminates Federal supervision over these vital programs and leaves it to the States and territories to decide which programs they wish to emphasize.

In effect, S. 1612 substitutes 53 different combinations of local priorities for one set of recognized national goals. It is a ticket to confusion and disaster.

As an example of what can happen, please consider the experience of local communities during the great fires in Maine in 1947. Each town operated as an independent unit. While one town constructed lines to control the fires, another town set backfires which wiped out the achievements of its neighbor. The Governor lacked authority to coordinate their efforts.

So it will be with other natural resource programs if administration through a central agency is eliminated. The constructive efforts of some States will be offset by diverse interests of other States.

The authors of S. 1612 have recognized this problem with respect to the Extension Service. Section 202(3)(e) requires each State to continue to carry out a program of agricultural extension comparable in size and type to the present program. Does this provision imply that the Extension Service is weaker than other programs? Or does it mean it is more important than other programs? If such a provision is needed to maintain Extension work, then why not apply the same requirement to each of the other programs?

The arrangement proposed in S. 1612 is a poor substitute for the present system in which the Appropriations Committees of the Con-

gress annually weigh the relative merits and needs of each program with respect to national goals and priorities.

It is recommended that S. 1612 not be enacted.

Mr. Chairman, may I supplement this statement with a review of cooperative forest fire protection?

Senator ALLEN. Yes; we would be delighted to hear from you. Proceed.

Mr. POMEROY. Some States enacted fire laws, soon after the Declaration of Independence, but these laws were ineffective because the States lacked means of enforcement. This situation came to a climax in 1875, when some 1,500 people lost their lives in the great Peshtigo fire in Wisconsin.

In 1875 the American Foresty Association was organized to see what could be done. Its earliest recommendations were for the Federal Government to set an example by creating forest reserves out of the land still in public ownership. This led to the establishment of the national forests.

In 1911 Federal cooperation with States in foresty matters became possible through the Weeks Act. This program was strengthened in the Clarke-McNary Act of 1924, but all States did not enter into the cooperative forest fire protection program, and still until the 1960's, and quite a few counties in Florida, North Carolina, Ohio, Illinois, Missouri, and Arkansas still do not participate.

What do you think the result will be if the entire program is thrown back to the States?

Thank you, sir.

Senator ALLEN. Thank you, Mr. Pomeroy.

You recommend, then, that this rural revenue-sharing legislation as proposed by the administration not be enacted?

Mr. POMEROY. Yes, sir.

Senator ALLEN. It is your feeling, I presume, that if the various programs now in existence are eliminated or folded into the revenue-sharing programs, that some States might carry on a forestry program, and others might carry on such a program, and that it would be in a State of chaos as far as the various State programs are concerned?

Mr. POMEROY. That is our view.

Senator ALLEN. Now, this revenue-sharing program of the administration would allow the States to pick and choose as to the programs that they wish to have and the method that they wish to have to implement those programs and in some States they might not have any program at all, and other States might have one aspect of the forestry program, and not have another aspect, so that you would not know in one State what the situation was in another State.

Mr. POMEROY. That is true. It is our feeling that the local people would be much more susceptible to pressure than a gentleman of your stature in the National Capital.

Senator ALLEN. If all of the programs, existing programs, were folded into the new program, would there not be a wild scramble for funds on the part of the various beneficiaries of the various programs?

Mr. POMEROY. There most certainly would and also I think you would be assured that the immediate short-range results would

probably get preference over long-range programs such as tree planting and this type of thing. It would be the natural way for people to react.

Senator ALLEN. Do you think it is wise for the Federal Government to abandon the programs which have been found to be sound and a benefit to the people of the country, and turn the management and decision as to these programs over to 50 States, and possibly some of the territories?

Mr. POMEROY. We think that these programs have been proven over the years, over a number of decades, and it would be a step backward.

Senator ALLEN. Does anybody in the American Forestry Association feel that S. 1612 is for the benefit of the forestry industry?

Mr. POMEROY. We have 83,000 members and we have not received one letter in support of this proposal from among our members.

Senator ALLEN. This proposal, then, does not come from the grassroots; does it?

Mr. POMEROY. No.

Senator ALLEN. From rural America?

Mr. POMEROY. We don't think so.

Senator ALLEN. Do you see where the rural community will benefit by this program as proposed by the administration.

Mr. POMEROY. Well, I am always a little hesitant to make a broad, sweeping statement, because there are local things that you need, but there are long-range things that you need, too, and we just don't think it would be a good idea to have every State trying to decide its own future, when you have got a national goal that ought to be viewed.

Let me take you back a little bit to some things we saw in England on a recent visit over there. I just came back last week. The British have been planting white oak for centuries in order to support their Navy. It is a natural thing for the British to do and they are a big naval power. But, in repeating planting of white oak they have fallen into some of the problems that you have when you concentrate on a single thing: they have developed a rot that ruins all their white oak.

So now they are getting rid of white oak in order to plant conifers and they are using conifers from the United States.

Now, if we had each State trying to follow its own future, wouldn't we have some of this sort of thing? We think you need a broad central program to push these through.

Senator ALLEN. Now, if these programs are folded into the new program, and the money withdrawn from them and put over into a fund to go to the States as part of a special revenue-sharing program, is it not possible that, say, 25 States would carry on a rural environmental assistance program, some 20 States might carry on a water bank program, 15 States might carry on a foresty program, and in the States where these programs were not carried on, would there not then be a hue and cry among the people to go back as to those specific programs to a Federal program to meet those needs?

Mr. POMEROY. I think there would be.

Senator ALLEN. And wouldn't we then have to go through this very same thing of our setting up these Federal programs anew?

Mr. POMEROY. I am glad that you mentioned the water bank program particularly, because streams run through several States sometimes.

Senator ALLEN. Yes; that is true.

Mr. POMEROY. And you can't have one State with one program and another State with a different program; it won't work.

Senator ALLEN. The present programs are of benefit to the people; are they not?

Mr. POMEROY. They certainly are.

Senator ALLEN. If the work of these programs is not carried on by all of the States, will the people insist that the Federal Government retake them?

Mr. POMEROY. I should think so.

Senator ALLEN. Leaving the Federal Government with its subsidy program for rural development and still being called upon to institute programs to take up the slack in those areas where the States have not gone forward with he programs?

Mr. POMEROY. They would have to recapture a lot of lost ground.

Senator ALLEN. Yes; so, there is a whole lot of room for considerable chaos here in going along with the 1612; is that your thought?

Mr. POMEROY. Yes, sir.

Senator ALLEN. Thank you very much.

Mr. POMEROY. Thank you, sir.

Senator ALLEN. Mr. Scott Wallinger, please.

Mr. Wallinger, you may proceed.

STATEMENT OF R. SCOTT WALLINGER, FOREST FARMERS ASSOCIATION, CHARLESTON, S.C.; ALSO REPRESENTING THE SOUTH CAROLINA FORESTRY STUDY COMMITTEE

Mr. WALLINGER. Mr. Chairman, my name is R. Scott Wallinger, and I am appearing as a representative of the Forest Farmers Association. With the committee's permission, I would like to present our association's views on S. 1612, a bill to establish a revenue-sharing program for rural development.

And with your permission, sir, I would like to inject a few extemporaneous comments derived from some of the discussion that has already taken place.

Senator ALLEN. We would be glad to hear you.

Mr. WALLINGER. My own company, Westvaco Corp., formerly known as the West Virginia Pulp & Paper Co., is a member of Forest Farmers Association. However, the majority of our organization's members are small- to medium-size timberland owners in 15 Southern States.

I am also authorized to speak for the South Carolina Forestry Study Committee, an official State body charged with the responsibility for continuing study of the requirements for fuller development of South Carolina's forest resources.

In my testimony I will refer to the southern forest resources analysis, which was cosponsored by the Forest Farmers Association. This analysis resulted in the report, "The South's Third Forest," which I believe various members of the committee are familiar with.

As the third forest report indicates, over 70 percent of the South's forest area—143 million acres out of a total of 200 million acres total—is owned by private nonindustrial owners. These are the small landowners we hear so much about.

From the preceding it is evident that a very large portion of the timber to be produced in the South for many years to come must be grown on these small acreages. The third forest report also estimates that the South, alone, must produce 2.3 times more wood by the year 2000 to meet its share of the Nation's anticipated needs.

So it follows logically that Forest Farmers Association favors rural development, in principle. We believe, further, that a most important cornerstone of any soundly conceived rural development in the South is our forest resource. Our forests provide vitally important raw materials for rural-based forest harvesting and processing industries, and the jobs which are a major source of income for our rural residents.

In our opinion, job opportunities are the most important factor in any sound rural development program. With row-crop agriculture offering little inducement to hold young people on the land, or to support older residents at a reasonable level, fuller development of our forest resources offers one of the few, and perhaps the best opportunity on which to build a viable rural development program.

Yet, S. 1612 could actually work against fuller forest development. It would take the money from our key cooperative programs such as fire control (Clarke-McNary-2), cooperative forest management program (CFM), and cooperative forest nursery program (Clarke-McNary-4) and put them in a common pot to compete for funds with short-term items of low deferability. It does not take infinite wisdom to anticipate the fate of our long-term resource programs.

This is a point that I would like to emphasize because it is certainly fundamental to our position. We fully recognize the value of our local fiscal controls and responsibilities but our foresty programs are long term and they are national in scope. We think in terms of decades in forestry. Even significant progress in forestry may be invisible to local citizens because it takes place over a period of time, and we are keenly aware of the pressures that are placed on our local legislature and officials to produce tangible short-term gains in social improvements. And we feel that long-term investment in forestry programs would suffer from the scramble for funds that you have mentioned to produce a tangible short-term result.

For example: what local elected public official could withstand the pressures for additional funds for education, law enforcement, health care, et cetera, versus funds for forest production and development? We believe very few. On the other hand, upward of 15 percent of the total budget of the South Carolina Commission of Forestry is derived from Federal cooperative matching funds. A potential cut of this magnitude would be disastrous, particularly since most of this would be in fire protection funds.

How is the Nation to provide the lumber for the 26 million new and renovated homes which the Government predicts will be needed in the next 10 years, if our forests are allowed to burn up? The third forest report shows that 30 million acres of forest land must be planted in the next 15 years to meet year 2000 needs. How can that be done with less money?

And I might inject here that we have mentioned the concept that various States, depending on their local interests, might establish local priorities. Yet, whether or not forestry progress continues in

South Carolina is a function of what the State of South Carolina decides is necessary, which has a tremendous bearing on the people who want new homes in New York City or San Francisco or elsewhere, and I don't think that we can afford to have national goals of this magnitude jeopardized by whether or not a local agency decides to continue a program at an existing level or decides to cut it back in favor of a short-term need.

The Southern forest resource analysis shows that our southern forests urgently need vastly greater development and greater—not less—protection. Congress recently recognized this by voting additional funds for cooperative forest fire control (CM–2). Now we are considering a bill which would almost certainly take a portion of these funds away.

Another point of major concern to the Forest Farmers Association is the system of allocation for funds proposed in S. 1612. A principal criterion is population density, without any consideration to the location of our forest resources. Such a system would almost certainly invite disaster. One example should suffice. Los Angeles County, Calif., would fare poorly in the distribution of funds because of its high population density, yet I scarcely need to mention the terrific forest fire problem encountered there.

Similar difficulties could be anticipated throughout the country, if S. 1612 were enacted.

Funds for development of our natural resources simply do not belong in a measure such as this. Although I have stressed the forestry items, many of these same points would apply as the measure treats the Soil Conservation Service, Extension Services, et cetera.

The Forest Farmers Association strongly favors cooperative matching fund programs versus outright grants by the Federal Government. The Federal share could be greatly increased to, perhaps, a 90 percent Federal-10 percent State basis, if this is felt desirable. We feel strongly, however, that the governmental body spending the money should have some responsibility for raising a portion of the funds.

The committee's consideration to these views presented on behalf of the Forest Farmers Association is invited and will be appreciated.

Thank you for your courtesy in hearing me.

Senator ALLEN. Thank you, Mr. Wallinger. We appreciate your coming before the committee and giving us the benefit of your views and the Forest Farmers Association.

I notice you say that we are going to have to have an additional 30 million acres of forest land if we are to meet the year 2000 needs, and those acres will have to be planted in the next 15 years.

Where do you think they are going to come from?

Mr. WALLINGER. This 30 million acres is derived from the "South's Third Forest," and it is based on the area in the 15 Southern States that is now either completely unproductive, cutover land, or unproductive forestland, and so forth—land that is very poorly stocked. And additional improvements can be produced through timber stand improvements, and we are talking about a program to meet the year 2000 levels that would have to be funded from all sources at approximately $100 million a year.

We have determined in South Carolina alone that our program should operate at a level of $5 million a year to be invested in timber stand improvement and tree planting and all of this is, of course, a rural activity. Currently in South Carolina we are getting in the neighborhood of $285,000 a year from ACP funds, now the REAP program. But, this comes very close to the 5- or 6-percent figure that was mentioned by one of the witnesses earlier this morning in terms of the level of participation.

And we are well aware that landowners are meeting mortgage payments and trying to pay for their car and get their kids through school, and don't have the money to invest in the programs that have 20- and 30-year retirements.

Senator ALLEN. Those 30 million acres are in 15 Southern States?

Mr. WALLINGER. That is correct, sir. That was the basis for the Southern Forest Resource Analysis, which was a combined study of the southern resources. Of course, we are projecting that by the year 2000 the South will be producing well over one-half of the Nation's wood requirements, and close to two-thirds.

Senator ALLEN. What about these strip mines? Is there any possibility of having forests planted there?

Mr. WALLINGER. Yes, there is. In fact, there are programs already underway in the areas where there are strip reclamation projects and this is an activity that should be expanded. It has a heavy cost, but a lot of research has been done, and I think the TVA has been very instrumental in developing the techniques, the technology of strip mine reclamation. And a lot of what they have learned will be implemented with proper funding.

Senator ALLEN. The present Federal programs, are they adequate to serve the needs of the development of our forests over the years, in your judgment?

Mr. WALLINGER. We feel that they have been very helpful, but we feel that they are far from adequate for what is necessary to do the job.

Senator ALLEN. How do you think you would fare under strictly State appropriations if these funds were folded back into this rural revenue-sharing program?

Mr. WALLINGER. Senator Allen, I am not optimistic at all as to how we would fare. I think we would be lucky to maintain the status quo on portions, much less than to continue to advance. We have been making steady progress in recent years through the CFM fund that Mr. Pomeroy has mentioned, and these other programs that have been a great stimulus. And we feel that the great need now is the matching type of funds to support directly the agencies in the State that have been implementing the programs, and also to provide the funds to the landowners to help them get their land into production.

There are many landowners who would develop their land if they had the financial resources, but a man working for wages just doesn't have the money to tie up.

Senator ALLEN. There would be no further matching of these funds pumped back into the States on the revenue-sharing basis, would there? That is 100-percent sharing, and there would be no further matching of that, the State taking that money and asking for matching, would there?

Mr. WALLINGER. No; there wouldn't be.

Senator ALLEN. So you would prefer, then, a sure, tried and proven program that, while not altogether adequate now, gives promise of becoming adequate, rather than to participate in a scramble for these funds if turned back to the States?

Mr. WALLINGER. Yes, sir; that is our position.

Senator ALLEN. Now, have you heard of any segment of the agricultural or the rural community advocating S. 1612 or stating that they would fare better under S. 1612?

Mr. WALLINGER. No, sir; I haven't come in contact with anyone who would be affirmative on either of those points.

Senator ALLEN. Do you feel that this is a grassroots movement to pass this legislation, or does it come merely from the administration?

Mr. WALLINGER. This is something we feel that has come down from the top. The position of these people that I have been in touch with has been one of reaction to something which has occurred, rather than any effort to create a program of this type.

Senator ALLEN. Is this revenue program, revenue-sharing program for rural development—if enacted, is it not likely that the States would fund each one of these programs that the Federal Government has? Some would be doubled or tripled, and some would be eliminated altogether; wouldn't that be your thought?

Mr. WALLINGER. I think so.

Senator ALLEN. Now, as to those programs which were eliminated in the various States, since there is a need, demonstrated need for the program, would there not be a movement throughout the country to reinstate on the Federal level the very same programs that the Federal Government seeks to fold into the new programs?

Mr. WALLINGER. I very definitely think so, Senator. We very strongly favor the approach, for example, in the USDA forestry incentive program and, as I have indicated, at the current levels the funding is far short of what is needed to do the job to develop the forest resources in the South.

If we had the revenue-sharing program implemented, and maintained our position financially within the funds of that, we would still need additional funds from somewhere to get the job done.

Senator ALLEN. Do you feel that the program as contemplated by S. 1612, would be of benefit to rural areas?

Mr. WALLINGER. I don't feel that it would improve their position whatsoever over the present situation and I feel that there is a good risk that it would be detrimental.

Senator ALLEN. Now, as to the forestry program, what additional recommendations would you make to improving that program if it is carried on under its present basis?

Mr. WALLINGER. We feel that probably the most important program that we have in terms of on-the-ground forestry in the South is the REAP program, and a strengthening of that would be very beneficial. The strengthening of CFM programs, the cooperative forest fire control, and things of that nature, have a more subtle influence. I think they become more spectacular by their absence than they are in effect. I think that we very definitely would like to see a strengthening of the existing cooperating forest fire control programs, the CFM

programs that get more professional people on the ground to work with landowners.

As an example of our present program in South Carolina, with the combined State and Federal moneys providing foresters to go into the field, our State forester just a few years ago brought out that he had the manpower to reach each landowner in the State about once in every 20 years to give him professional forestry advice. And the program has improved——

Senator ALLEN. You do have a long-range program on that kind of basis?

Mr. WALLINGER. That is right, and this has been one of the most beneficial aspects of the CFM program. And also the resource conservation and development program is putting technical people on the ground to work with landowners and help them coordinate and develop their activities.

The second thing, along with the good recommendations, many management plans have been prepared and the landowner doesn't have the financial resources to implement the program, although we have something on paper. And more and more we are finding that we have reached a situation where the money to implement the program on the ground, to pay the cost of getting the land ready for planting, to pay the cost of getting the trees in the ground, to improve the growing stock, and things of that nature, are becoming the limiting factor in the South as to what we can do to develop our forestry resources.

On the other hand we know that if we could develop it anywhere near its capacity that we can double the production of our land and we will have to do this to meet goals only three decades away. And of course, the industries which use this resource are essentially rural industries.

The paper industry, with some exceptions, is generally a small town or small city industry. The lumber industry is almost entirely a rural-based industry, in the smallest towns. And the southern industry has become much more sophisticated. It is not a bunch of scattered, small sawmills any more, but there are large establishments in small towns with year-round employment and good wages.

Senator ALLEN. S. 1612, then, would seem to sound good in theory, but when put into practice might cause hardships or destruction of valuable programs and chaos among those programs throughout the 50 States?

Mr. WALLINGER. Yes, sir. We feel the objectives are very fine, but when we take into account the implementation procedures, we don't feel that the program will achieve the results that are set out for it.

Senator ALLEN. Would your thought be different if there were new funds rather than a reshuffling of existing funds in the main?

Mr. WALLINGER. I think that if there were substantial new funds that we might have some different thoughts on it, but as long as we are talking about the same money, or essentially the same money as we are in this case, we find little incentive to make a change.

Senator ALLEN. Thank you very much, Mr. Wallinger. We appreciate your coming before the committee and giving us the benefit of your views.

Mr. WALLINGER. Thank you very much, sir.

Senator ALLEN. Senator Burdick, we would be delighted to hear from you at this time. You may proceed, sir.

STATEMENT OF HON. QUENTIN N. BURDICK, A U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator BURDICK. Mr. Chairman, and members of the committee, first I would like to ask unanimous consent to have my entire statement made a part of the record.

Senator ALLEN. Without objection, it is so ordered.

Senator BURDICK. Mr. Chairman, I want to express my complete agreement with the statement of findings in S. 1612, the rural community development revenue-sharing proposal, which says that "many rural areas of the Nation, while rich in natural resources and potential, have lagged behind the rest of the Nation in economic growth, and that the people of these rural areas have not shared in the Nation's prosperity."

Upon examining the details of the proposal, however, I find that I do not see how this bill, if enacted, would achieve all of the good intentions stated: to generate increased employment opportunities, to improve the quality and accessibility of rural community facilities and services to stem outmigration from rural areas, to encourage private investment in industrial, agricultural, and commercial enterprises, to protect and conserve natural resources, and to solve farm, home, and community problems.

These are great goals, and ringing phrases, but I fear there is more shadow than substance here. The programs which have been of greatest help to the conservation of soil and water, to the improvement of the quality of life in North Dakota, seem to me to be in the greatest danger of abandonment if this legislation ever became a reality on the statute books.

The claim that the funds available for these grant-in-aid programs, if pooled and turned over to the individual States according to a cumbersome formula based almost entirely on population figures, would result in a balanced rural development plan meeting more exactly the individual needs of the rural areas is misleading. These programs have not been abstractly plotted by bureaucrats in Washington who think they know best what the local people want.

REAP, the Agricultural Conservation program, has always been tailored to the needs of each county by recommendations of the local county and community ASC committeemen. This is a cost-share program; almost every dollar of Federal money spent has resulted in $2 worth of conservation practices. For more than 30 years farmers have been practicing what now the ecologists are preaching: control of pollution of the rivers and streams, the lakes and ponds, by erosion-control practices.

If the great water-using industries and city planners had spent half the time and careful thought on pollution-control measures as our American farmers, we would not now be faced with the shocking sight and stench of dead lakes and sewer-like streams.

The other programs that would be turned over to the States, to be continued in some form or discarded, are also planned and carried out with the full cooperation of local and State authorities and citizen

groups. Resource conservation and development programs, multi-county planning and development efforts, enable units of State and local government to develop and carry out project plans for orderly conservation, improvement, and development of natural resources. The Soil Conservation Service provides technical help and funds and the Farmers Home Administration cooperates with loans.

The Great Plains conservation program, one of growing importance in North Dakota, is administered to meet the very specific needs of individual ranchers and groups of ranchers. The value of returning land now in crops to grassland cannot be overemphasized in the prairie States.

Forest Service grant-in-aid programs are by law directed toward fire prevention and suppression on private lands, the production and distribution of tree seedlings on State and private lands, and forest management programs to aid private woodland owners. The Forest Service establishes the broad national goals and objectives of these programs but State government officials, State foresters, and landowners work together on these cooperative programs.

One of the most valuable of the programs in terms of strengthening rural communities is the water and waste disposal program administered by the Farmers Home Administration. This is a program which, since its inception in 1965, has upgraded the standard of living of rural residents while attracting new business operations into rural communities all over the country. When a program such as this has proved so successful, why should it not be continued and strengthened in its present circumstances? Funds for this program too would be thrown into the rural revenue-sharing pool.

All of these programs have operated for years through the close cooperation of local and State government.

S. 1612 as presented would include the Federal funds now made available to the Cooperative Extension Service but I understand second thoughts on the part of the administration would exempt that program from the effects of the proposal.

Of great concern to the people of North Dakota and to conservation and wildlife interests of the entire country is the inclusion in S. 1612 of the new water bank program, Public Law 91-559, enacted December 19, 1970, and funded in this session of Congress.

This program was designed to preserve and enhance migratory waterfowl breeding and nesting areas—the "wetlands"—without placing an undue burden on the individuals whose holdings encompass some wetlands. Many wetlands areas can be, and have become, highly productive cropland when properly drained. When this happens the land's value as a breeding area ceases or is materially lessened. The water bank offers the farmer or rancher annual payments for his agreement not to drain, burn, or fill such areas for the duration of the contract, 10 years. The landowner is under no compulsion to participate, but must simply decide if the economic gains in participation outweigh the economic benefit to be realized by draining the wetlands.

The passage of the Water Bank Act was the culmination of years of concerted effort by various public and private agencies and farm groups. It had the active support of North Dakota State government officials, the North Dakota State University, the National Wildlife Federation, the North Dakota Wildlife Federation, the Wildlife

Management Institute, the Mississippi Flyway Council, the North Dakota and National Associations of Soil Conservation Districts, and the North Dakota State Water Commission and many other agencies and groups. I am not aware of any opposition to the proposal in my State.

When $10 million was provided by Congress in the bill making appropriations for the Department of Agriculture and environmental and consumer protection programs for fiscal year 1972, all of the interested organizations and individuals felt that immediate steps would be taken to implement the program, which was to be administered by ASCS. When the rural revenue-sharing proposal was made public this spring, I wrote to the U.S. Department of Agriculture, asking for specific information on the handling of the water bank program under the rural revenue-sharing proposal. I asked:

(1) In transferring the funds to the States, what standards would govern the amounts going to each State?

(2) What steps would be taken to insure that a State did devote these funds to pursuing the objectives of the Water Bank Act?

The reply stated, in part: "The major portion of the proposed funds distribution for each State would be according to formulas principally based upon rural population percentages, per capita incomes, and population change percentages * * *"

Mr. Chairman, the water bank program has nothing to do with rural population, per capita income, or population percentages. It has to do with the preservation of wetlands, mostly prairie pothole lands, where migratory waterfowl nest and breed. And I want to say at this time, Mr. Chairman, that the production of ducks in my State is not for North Dakota alone; it is for the entire Nation. So we can't base the program upon these population figures.

There are more than 1½ million acres of such wetlands in North Dakota. More than half the game ducks in this country are hatched in the Dakotas, and western Minnesota.

The letter from the Department of Agriculture also pointed out that "there is no provision in S. 1612 that a State must devote any of these funds to pursuing the specific objectives of the Water Bank Act."

The Congress of the United States has approved this program; it has been signed into law by the President; funds have been provided for its administration; but not one step has been taken to implement it. This situation is unbelievable to me and to the many people interested in seeing the program put into effect.

Again I made inquiry of the Department of Agriculture a short time ago, and received on September 11 a letter that concluded on this positive note: "The Water Bank Program is one of the sources of funds for rural community development special revenue-sharing; therefore, pending resolution of this proposal it is not planned to initiate this program under Federal operation."

Mr. Chairman, I am not willing to accept a decision that a needed program, approved and funded by Congress, shall not be put into effect.

In recent weeks I have received a number of letters from conservation and wildlife groups, the North Dakota Cooperative

Extension Service, the North Dakota Stockmen's Association, the North Dakota Wildlife Advisory Committee, and North Dakota State and County Associations of Soil Conservation Districts. I ask that these letters, together with the correspondence I have had with officials of the U.S. Department of Agriculture, be made part of this hearing record.

Senator ALLEN. Without objection it is so ordered.

(The documents referred to follow):

FARGO, N. DAK., *September 1, 1971.*

Senator QUENTIN BURDICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BURDICK: During the past several years all of the wildlife interests in North Dakota have enjoyed your leadership, participation and full support in the passage of the Water Bank Legislation. This has been no small ask. During this session of Congress the executive recommendation for the appropriation of $10 million to implement the initiation of the Water Bank Program has been successfully passed through both Houses of Congress under the leadership of yourself and other members of our delegation. As chairman of the Wildlife Advisory Committee for North Dakota, may I take this occasion to thank you for the support you have given this entire matter. The next objective, of course, is to see the successful implementation of the program.

A number of contacts have been made with the Department of Agriculture and members of the Agricultural Stabilization and Conservation Service relative to their plans for the implementation of the program. There seems to be a continuing rumor that the funds for the implementation of the program will not be released by the Office of Management and Budgets thereby precluding the initiation of the program. No positive reasons are available but there appears to be an inference that the inclusion of the Water Bank Program in the Proposed Special Revenue Sharing Legislation plus the recently announced economy policies of the President are factors involved. We are deeply concerned about this turn of events and most sincerely solicit your leadership in securing release of these funds so that the program can be initiated.

I am sure that you are aware of the massive program of drainage that has occurred throughout the pothole area of the North Central States and particularly in the nesting and breeding grounds of North Dakota. The economic pressures are on the farmers in spite of the very excellent crop of this year and will inevitably result in major additional drainage unless some means can be developed immediately to give some economic relief to these landowners. The Water Bank Legislation appears at this time to be the only such relief in sight. I speak unanimously for the Wildlife Advisory Committee in stating that we do not believe we can afford further delay of the activation of this program.

Each of us will be deeply appreciative of anything that you can do to motivate the implementation of this program at the earliest date possible. We are confident that if it can be announced at an early date that North Dakota alone could sign enough acreage to utilize a major portion of the $10 million appropriation. The people of North Dakota are looking forward to cooperating. Your help is urgently needed and most certainly will be appreciated. Anything that you could do to secure removal of the Water Bank from the Proposed Revenue Sharing Legislation would also certainly be appreciated and may be the key to the release of the funds.

With best personal regards,
Sincerely yours,

ARTHUR H. SCHULZ,
Dean and Director, Cooperative Extension Service,
North Dakota State University of Agriculture and Applied Science.

NEW ROCKFORD, N. DAK., *September 16, 1971.*

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: We, the Eddy County Soil Conservation District supervisors, are asking for your support towards securing a release of the Water Bank funds from the Revenue Sharing Bill (S. B. 1612). We feel that if these funds

are released the Water Bank Program which is needed in North Dakota to help save our wetlands, could be put into use right away.

We thank you for your past support on all soil and water conservation programs. We hope that you will again support us on this matter.

Respectfully yours,

WILLIAM STARKE,
Chairman, Eddy County Soil Conservation District.

DEVILS LAKE, N. DAK., *August 24, 1971.*

Hon. QUENTIN L. BURDICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BURDICK: The Water Bank is included in the Agriculture Appropriations for 1972 with $1 million to be spent for Water Bank contracts. I hope the program can begin with signups for this program beginning this fall.

At the last meeting of the North Dakota Wildlife Advisory Committee, we discussed the maximum amount of wetlands that would fit into this program in North Dakota. According to the North Dakota Game and Fish and the Bureau of Sport Fisheries and Wildlife, North Dakota raises about 80% of the ducks raised in the United States. We also estimated the amount of wetlands needed, and according to these two agencies it would take $30 million per year for Water Bank contracts to fill the needs of wetlands in North Dakota.

It is now costing the individual landowner about $13 per acre per year for interest and taxes on his investment to leave these wetlands.

In order to ease the controversy of wetlands drainage that affects our wildlife, to help our agriculture economics of North Dakota, and to help the economic stability of the individual landowner to leave these areas for wildlife, I feel a minimum of $10 million per year should be our national goal towards the Water Bank program at this time to preserve these wetlands.

I urge your support in getting more money behind the Water Bank program in order to preserve this heritage we have enjoyed.

Sincerely yours,

GORDON BERG,
North Dakota Wildlife Advisory Committee.

LINTON, N. DAK.

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: The Emmons County Soil Conservation District has been following and is a promoter of the proposed Water Bank Act. We were pleased when we heard the Act had been passed by Congress and signed by President Nixon.

We feel the Water Bank Act is the answer to saving our wetlands and yet compensating the farmer for saving these areas for our wildlife and for future generations to use in their recreational programs.

We are now very disappointed and feel that progress has been stopped by the action of the office of Management and Budget in freezing the funds appropriated for this program.

We hope that you will see fit to work toward securing a release of those funds so that the long awaited Water Bank Act can go into action.

Thanks for your consideration on this matter.

Sincerely,

ALOIS LEIER,
Chairman, Emmons County Soil Conservation District.

BISMARCK, N. DAK., *September 2, 1971.*

Hon. QUENTIN BURDICK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Our Association is concerned that funds for the recently enacted "Water Bank" Program are tied-up, reportedly pending the outcome of special revenue sharing legislation, as contained in S. 1612.

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We certainly don't want to discuss the concept of revenue sharing by the states because we've not considered it necessary that we have a policy position relative thereto.

However, we do not think the Water Bank funds should be placed into the revenue sharing legislation, if and when such does become law.

Our main objection is that, under revenue sharing, the $1,000,000 annual Water Bank appropriation would be split up among 50 states when in fact it should be confined to the "pot hole" states which hatch the Nation's waterfowl—in other words, we think it's a regional problem, not national.

We know you share this view point but want you to know that we support your efforts toward trying to exclude Water Bank funds from Senate Bill 1612.

Thank you and very best personal regards.

Sincerely,

CLAIR MICHELS,
Executive Secretary, North Dakota Stockmen's Association.

WEST FARGO, N. DAK., *September 10, 1971.*

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: It has come to our attention that the Water Bank Proposal is part of the Revenue Sharing Bill (S.B. 1612).

We would like to see the Water Bank Proposal deleted from the Revenue Sharing Bill so the program can be implemented. If the program is to be successful, the funds should be allocated to the areas of greatest waterfowl production.

The longer it takes to get the program in action, the fewer will be the number of wetlands to save. Many farmers have voiced an interest in participating in the Water Bank Program, but if it is not put into action, they may proceed with draining wildlife habitat.

We would appreciate your efforts in getting this program started.

Yours very truly,

JOSEPH HARBEKE,
Chairman, West Cass Soil Conservation District.

DEVILS LAKE, N. DAK., *September 9, 1971.*

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: Funds for a Water Bank program were included in the Department of Agriculture appropriation.

We appreciate your fine cooperation in getting this program started. We now urge you to follow up on this program and get the money released so that the program can get started in North Dakota this fall.

Sincerely yours,

OLIVER LEET,
Chairman, Ramsey County Soil Conservation District.

LEEDS, N. DAK., *September 13, 1971.*

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR: We are very much concerned that the funds for the Water Bank Program is not available to implement this vital program immediately.

We had a thorough discussion of this matter at our meeting last evening—and by resolution of our board I am contacting you asking that you help us get this program moving.

Our area is second to none from the standpoint of "pot holes" and duck production. We believe the impact of the Water Bank Program is vital to the preservation of our wetland sites.

We also are sincere and concerned that there may be involvement of this program with the Revenue Sharing Bill. We are not a heavily populated area and we think that it would be a very unfair distribution. It amounts to this; we have the

wetland sites but we don't have the populace. We will appreciate your efforts in deleting this from any other program.

Sincerely,

FLOYD ALLAN,
Chairman, Board of Supervisors,
North Central Soil Conservation District.

BOTTINEAU, N. DAK., *September 7, 1971.*

Senator QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: You are aware of the continued interest we have had in the Water Bank Act since we suggested the idea a number of years ago. We are proud of the work you have done to assist us with this program.

At the present time we are concerned about implementing the Act as was passed and signed into law. North Dakota and other states with nesting and breeding areas seriously need this program now and with the two items we are faced with, it appears a good piece of legislation has become indefinitely tied up by, (1) freezing of funds and/or (2) because of the Revenue Sharing Proposal.

We would like to propose to you and solicit your help in removing this Act from the Revenue Sharing Proposal.

We ask this for three reasons. (1) The need for funds will be in the pothole region of the U.S., such as North Dakota, not throughout the U.S. (2) The distribution of funds under revenue sharing is based primarily on population and need whereas utilization of the Water Bank funds are intended primarily to preserve wetlands in selected areas. (3) We feel it would be impossible for the state to administer this program.

We realize we could have an on-going program now if the funds were released so we are also asking you to assist in getting the administration to immediately release these funds. The longer this program is delayed, the more people will lose, since wetlands will continue to be lost at an accelerated rate.

We appreciate any help you can give us and urge your active support for these two proposals.

Sincerely,

NORTH DAKOTA ASSOCIATION OF
SOIL CONSERVATION DISTRICTS,
ALLAN KNUDSON, *President.*

GRAND FORKS, N. DAK., *September 13, 1971.*

Hon. QUENTIN N. BURDICK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: We understand that the Water Bank Bill has been assigned to Senate Bill 1612, the Revenue Sharing Bill.

In order that work can be expedited on getting some of the wildlife waterhole areas preserved, wouldn't it expedite the Water Bank Program if it were separated from the Revenue Sharing Bill? We understand that the Water Bank Bill was passed by Congress and signed by President Nixon. Why shouldn't this allow this work to proceed without any further delay?

As long as our pothole prairie area is the only one discriminated against on draining of pothole areas we feel that the Water Bank Bill should be used to reimburse our farmers for preserving the wetlands for migratory waterfowl propagation. And furthermore, a large percent of the funds should be used in the areas where these potholes are located rather than given to states who have no pothole areas.

We hope that you will expedite any action needed on getting this program into operation.

Sincerely,

EASTERN GRAND FORKS COUNTY
SOIL CONSERVATION DISTRICT,
FRANK DUBUQUE,
Chairman, Board of District Supervisors.

CAVALIER, N. DAK., *September 10, 1971.*

Senator QUENTIN BURDICK,
Old Senate Office Building, Washington, D.C.

DEAR SIR: It has come to our attention that the funds for the Water Bank Program have been frozen by the Office of Management and Budget.

The Program is of vital interest to the environmental and agricultural interests of this area. As such, we ask that you take whatever action you deem necessary to obtain the release of these funds.

These funds seem to be tied to the Revenue Sharing Bill (S.B. 1612). We urge (1) that the Water Bank Bill be deleted from this bill, and (2) that congress work toward securing a release of these funds.

Sincerely,

ERNEST MALO,
Chairman, Pembina County Soil Conservation District.

WAHPETON, N. DAK., *August 31, 1971.*

Hon. QUENTIN N. BURDICK,
U.S. Senate, Washington, D.C.

DEAR SENATOR BURDICK: This Board wishes to go on record as being in support of the Water Bank program included in the Agriculture Appropriation Bill.

Yours very truly,

LAVERNE K. OLSON,
Chairman,
HOLGER BERTELSEN,
Commissioner,
AARON H. HEGLIE,
Commissioner,
Richland County Water Management District.

Senator BURDICK. In conclusion, Mr. Chairman, I want to say that I have complete confidence in the members of this Rural Development Subcommittee and the members of the full Senate Committee on Agriculture and Forestry to develop and present legislation that will achieve the goals as stated in S. 1612 without destroying the established programs that are basic to rural America's well-being. The enactment of S. 1612 could only result in more problems and more confusion in the area of rural development.

I also have confidence that with the support of members of the Senate Committee on Agriculture it should be possible to convince the Department of Agriculture and, more importantly, the Office of Management and Budget, that the Water Bank Act should be implemented at once.

Mr. Chairman, I would like to make a reference to my young college days. I attended the University of Minnesota and there I played football, and we had a play called "66 off tackle." When it worked, we would keep on using it. If these programs we established have worked, why change them?

We should use the programs we have that have been beneficial to rural America and I think the water bank program should not be sacrificed for a newer concept which might be all right, but which is fraught with a lot of danger and implications.

Senator ALLEN. Thank you very much, Senator Burdick. We appreciate your testimony and we know it will be of great value to the committee in its study and deliberations on this bill.

Senator Burdick, do you know of any popular demand for this rural revenue-sharing program?

Senator BURDICK. My mail does not reflect it at all from my area; not at all.

Senator ALLEN. Does it have its inception, its beginning, at the grassroots level, or is it something handed down from above to apply at the grassroots level?

Senator BURDICK. I don't know where it came from. It didn't come from the grassroots of North Dakota.

Senator ALLEN. Do you know if this rural revenue-sharing program of the administration has the support of your people, the good citizens of North Dakota?

Senator BURDICK. I think they are strongly in support of the programs I have outlined in my testimony today because they have been workable programs; they have brought results. I think they are very well satisfied with what we have.

Senator ALLEN. If the administration's rural revenue-sharing program is adopted would there be any assurance that any single one of the existing Federal programs would be carried on by the State other than the Extension Service which has been frozen into the new change?

Senator BURDICK. There might be. There would certainly be no complete assurance of that at all.

Senator ALLEN. All of the money that is implementing these programs would be put into one pot from which decisions would be made as to what programs would be carried forward?

Senator BURDICK. And you have no idea when they first dip out of that pot what programs are going to be funded, whether the good ones or the bad ones, or any.

Senator ALLEN. Do the States have legislation at this time that would allow them to carry on these programs or substantially some of the programs?

Senator BURDICK. I doubt it very much, sir.

Senator ALLEN. What about personnel involved? Are not these programs carried on in many instances by Federal employees, and would there not have to be a new echelon of employees created at the State level to take over any of the programs that the State saw fit to continue?

Senator BURDICK. Without a doubt, and if it were done it would lead to a tremendous amount of delay and it hasn't been done.

Senator ALLEN. Now, there is no assurance that the grants for water and sewer systems would be carried on by the States, is there?

Senator BURDICK. None whatever.

Senator ALLEN. No assurance that the water bank program would be carried on?

Senator BURDICK. None.

Senator ALLEN. No assurance that the Forest Service grants would be carried on nor the agricultural conservation program now called rural environmental system program?

Senator BURDICK. No assurance for any of these programs.

Senator ALLEN. Right on down the line in all of the present systems?

Senator BURDICK. Yes.

Senator ALLEN. Now, would this seem to indicate that if the States did not carry on a large number of these programs and the need would still be there, would there not then be a demand from the people that these programs be recaptured by the Federal Government?

Senator BURDICK. There wouldn't be any question about it, because

the people have had the benefit of these programs for many, many years, and they would demand their return, I am sure.

Senator ALLEN. Has the administration pointed out to any of the other Members of Congress or any other committee any of these programs that they feel should be eliminated at the State level?

Senator BURDICK. I have not seen them point out which would be eliminated and which would not.

Senator ALLEN. Your farm people in your State, are they satisfied with these existing programs?

Senator BURDICK. Very much so. I would say that the soil conservation program and the others I have enumerated in my testimony have total support throughout the State. There is no criticism of them that I know of.

Senator ALLEN. I notice that you feel like that in theory, or possibly in the abstract, that S. 1612 might appear to have some merit, but when it is put into effect, when considered from the practical point of view it just will not do the job in the proper fashion; is that your feeling?

Senator BURDICK. That is my present opinion.

Senator ALLEN. Thank you very much, Senator Burdick. I appreciate your coming before the committee and giving us the benefit of your views. Your testimony is most thought-provoking.

Senator BURDICK. Thank you, Mr. Chairman.

Senator ALLEN. Mr. Kimball.

STATEMENT OF THOMAS L. KIMBALL, EXECUTIVE DIRECTOR, NATIONAL WILDLIFE FEDERATION

Mr. KIMBALL. Mr. Chairman, I am Thomas L. Kimball, executive director of the National Wildlife Federation which has its national headquarters at 1412 16th Street NW., here in Washington, D.C.

Ours is a private organization which seeks to attain conservation goals through educational means. The federation has independent affiliates in all 50 States and the Virgin Islands. These affiliates, in turn, are composed of local groups and individuals who, when combined with associate members and other supporters of the National Wildlife Federation, number an estimated 3 million persons.

Mr. Chairman, we welcome this invitation to testify on S. 1612, the proposed "Rural Community Development Revenue Sharing Act of 1971," because we view the activities of this subcommittee, and the full committee, in attempting to resolve the multifaceted problems relating to urban development, as among the most important before the Congress and the country at this time.

The outward migration of people from rural areas, with subsequent concentrations along the seacoasts and in the metropolitan areas, with all of the attendant environmental difficulties relating to big cities, as well as a slow deterioration of rural communities and the worthwhile and suitable life styles which they provide, is one of the greatest tragedies of our age. For those of us who grew up in, or have lived in, small communities, it is doubly tragic because of the many advantages we know and appreciate as being found only in such areas. Indeed, some metropolitan areas, where people are crowded into tenements, the living conditions often appear to be similar to those which existed in

the Middle Ages when crowded people were frightened to leave their homes at night and when garbage and other types of debris were hurled from windows to become public problems and nuisances.

We fully appreciate the recognition this Committee is giving to this outstanding problem and hope the general comments that follow will be beneficial in offering some clarity to what is an obscure and complex situation involving economics, life styles, social problems, education, and even politics.

1. As we see it, one of the most important single needs before the country is for a national land-use plan, as has been proposed by both many Members of the Congress and by the administration. Only by developing a comprehensive and coordinated overall plan which would recognize the principal values and uses of all of our various resources, can the maximum advantage be obtained from them. This, in effect, well could result in rural zoning and we believe such a plan and program is necessary to identify all of the best potentials in these important areas.

2. It is essential that efforts to stabilize and improve the economy of rural areas must, in many situations, become something other than agriculturally oriented. We know that agriculture alone, as presently practiced, will not sustain many communities.

We believe that there is much merit in considering incentives to locate in new towns and cities in areas away from the present metropolitan complexes. Not only would this avoid many of the present inner-city urban problems, such as overcrowding and transportation and environmental pollution, but could help equalize many of the difficulties which relate to the deterioration of rural communities.

In this connection we are thinking of new communities such as Columbia, Md., or Reston, Va., although on a smaller scale, and not necessarily so closely tied as that community is to the cities of Washington and Baltimore. I am taking the liberty of attaching to this statement a tearsheet from the August–September 1970 issue of National Wildlife magazine, which outlined exciting new possibilities for the development of ecologically sound urban communities and variations of this very well could be located in many rural parts of the country which are low in population at the present time or are losing people.

3. If the population is to be relocated or dispersed, some additional attractions must be made for rural areas in the form of employment. We are now convinced that many people want to get away from metropolitan areas and would actually prefer living in rural areas if a suitable means of livelihood could be developed. Therefore, it would seem to us that the Federal Government could play an important role in stimulating a location of small light industries or manufacturing concerns or other businesses. These incentives could come through special tax considerations, through low-cost loans, through subsidized housing, and so forth. However, again, this must be programed in accordance with an overall master land-use plan.

It must be quite obvious by now, Mr. Chairman, that the National Wildlife Federation is vividly aware of the plight of our rural areas. We commend the administration for its concern and its desire to enact legislation that might rectify the situation. Unfortunately, however, we cannot support S. 1612 because we are of the firm belief that the

bill, if enacted, could do more harm than good. Or, to put it another way, the federation feels that, at best, S. 1612 can achieve no more than is being accomplished under several current and separate legislative acts. At worst, we are fearful that S. 1612 would undo the abundant good stemming from the programs listed in sections 410 through 417—Great Plains conservation, forestry assistance, water and waste disposal systems, resource conservation and development, and others.

More to the point, and the main reason for our opposition to the bill, it would, in all likelihood, effectively destroy two relatively new programs that possess great potential—the water bank program and the rural environmental assistance program (REAP). We know that S. 1612 does not specifically prohibit continuing the kinds of conservation activities carried on under REAP and the water bank, but the odds would certainly favor their diminution, at best, if the decision-making and administration were at the State level.

Mr. Chairman, with all due respect for our State officials, we feel it is desirable that this revenue-sharing program for rural development, if enacted, would result in a subversion of congressional intent built up over a period of years in a number of rural-oriented Conservation Acts for which there are continuing specific national or regional requirements.

The mere fact that a State would be required to produce a development plan before it would receive funds under this program would not preclude the very real possibility of priorities being so rearranged that some very worthwhile and needed conservation programs would get short shrift.

Our concern, however, goes beyond the desire of individual States to continue such programs as the water bank and REAP. Mr. Chairman, a matter of greater concern to the federation is the capability of the respective States to effectively administer the rural development programs initiated under this proposed act.

Speaking from the personal experience some of us have gained by working at State levels, we are of the firm conviction that regardless of motives and intentions, the efficiency of the rural development programs would be seriously degraded while administrative costs would rise. Under these circumstances, we believe that it is wishful thinking to assume that the various rural-oriented conservation programs will continue to be funded at the same levels and receive the same high quality of professional guidance that they presently receive.

Admittedly, the States could and probably would, over a period of years, overcome the handicap of inadequate top-level staffing and eventually administer the rural programs with commendable competence. However, the administrative inefficiency and high cost of such an evolutionary process cannot be overlooked or discounted when compared to the present administrative arrangement of having one relatively small, knowledgable group at the Federal level run the programs.

In summary, Mr. Chairman, the National Wildlife Federation is deeply concerned over the plight of our rural communities. We are anxious to reverse the migration trend that brings the country and small village dweller to our urban areas and results in ever-worsening social conditions and environmental pollution in the cities of the United States. However, we sincerely feel that the first step that must be

taken to improve the situation is the development of a comprehensive land-use plan and not the passage of a revenue-sharing bill such as S. 1612 which would do little other than, with a minimum of guidance and restrictions, place great quantities of money in the coffers of State governments, many of which would indeed be hard pressed to prepare and implement the kind of rural development plan envisioned by the proposed bill.

Thank you for this opportunity to present our views.

(The attachment to the statement of Mr. Kimball follows:)

[From the August-September 1970 National Wildlife]

WE CAN BUILD SPACE AGE CITIES NOW—BIG CITY NOISE, FILTH, SMOG, AND UGLINESS ARE NOT INVINCIBLE ENEMIES; THEY CAN BE CONQUERED BY PRESENT TECHNOLOGY . . . IF WE HAVE THE WILL

(By James W. Hudson)

In 1960 President John Kennedy stirred the pioneering instincts and patriotic fervor of this country by making a national commitment to put Americans on the moon by 1970. We promptly embarked on a crash program rooted in the imaginative "systems approach," propelled by tens of thousands of scientists, technicians and workers and fueled with billions of tax dollars. And we reached this impossible goal—before the late President's deadline.

Now, in 1970, we need another such national commitment. And a new timetable. Our goal must be the transformation of America's dying cities into the healthful and exciting living and working centers you see on these pages.

This is no idle pipe dream. Any knowledgeable scientist or engineer will tell you we have the technology right now to do this job. We need only apply the "systems approach" to this vitally challenging project. This modern technique—which would combine the expertise of scientists, engineers, architects, ecologists, sociologists and city planners—can produce another American "miracle."

NEED URBAN REBIRTH

And how desperately we need that miracle. What a colossal absurdity that we allow our central cities—the centers of modern American life—to crumble into depressing places where it is no fun to live and work. It is understandable that dirty air, congested streets, cramped living quarters, and urban ugliness are driving out long-time residents who can afford to live in more pleasant surroundings. But this leaves behind only those who are too poor to cope with the grinding urban decay. And so our cities are deteriorating at an alarming and increasing rate.

But this tragedy is not inevitable. We can rescue and rebuild our cities. This is just as practical—and far more important—than putting men on the moon. All it takes is a national commitment. Let's see how the systems approach can make cities more people-oriented:

One key part of our plan is the covering of existing streets with a roof—with a green carpet of grass and trees on top—about 30 feet above the streets. This opens the way to literally transform the city's harsh concrete and smelly gasoline alleys into restful areas planted to lawns, trees and flowers.

The space above the streets and between the buildings becomes an oasis in the cement jungle, a people-oriented environment with grassy playgrounds, flowering shrubs and chattering squirrels. There will be sidewalks for people in a hurry and meandering paths for others. Places to talk, to read, and to relax. Soft conversation and the songs of birds will replace the nerve-shattering cacophony of construction and traffic.

And nature—using sunlight, chlorophyll, water and soil—can go to work manufacturing clean, fresh air. Every tree leaf, every blade of grass is a miniature anti-pollution factory, absorbing gases from our polluted air and miraculously returning pure oxygen.

TERRACED BUILDINGS

Some high-rise office and apartment buildings will be terraced like the ones on these pages with a series of setbacks for sunlight, and planted with lawns, flowers, shrubs and small trees. Roof gardens will have pools for ducks and fish. Most

of these terraces will be open to people for a host of activities including fishing, picnicking and nature study.

Small animals will raise their families on some terraces which will be off limits to people. Coffee breaks can turn into nature breaks as office workers watch the life cycles of songbirds, rabbits, squirrels and fish outside their windows.

The automobile engine which consumes enormous quantities of oxygen and exhausts poisonous, smog-breeding gases is Air Pollution Villain No. 1, responsible for 60 per cent of all air pollution. Urban people suffer most, trapped as they are in densely populated areas with many high-rise buildings. With filters and the addition of manufactured oxygen, our city streets can become a closed system of vehicular tunnels.

Other advantages of the closed street system are just as exciting:

Fast, efficient monorail transportation can be suspended under the pedestrian level. This will greatly improve mass transportation with a minimum of cost.

Car and truck traffic will flow easier. No longer need pedestrians compete with traffic. Sidewalks and islands now set aside as "people space" can be converted to additional traffic lanes.

Ground floors of buildings can become delivery areas, and the confused maze of double-parked trucks would disappear from traffic lanes. These lower floors will also contain parking lots, service stations and car washes. And drive-in banks, restaurants and newsstands.

The covered street will bottle up the noise from traffic, trash removal and road repair. And no longer can a big storm paralyze the city.

Digging up streets to install and repair cables will become a thing of the past. Telephone wires and power cables will be accessible in overhead troughs.

What happens to the people displaced from the first two floors of the buildings? They can have first chance at moving into new buildings which will be built over some of the old intersections.

A flight over such a city will reveal beautiful patterns of shape and color. Foliage softens the hard, straight lines of streets and buildings. Rain falls on absorbent green belts instead of hitting miles of asphalt and concrete only to run off into sewers.

What a city. Robins nesting on the roof. . . . Fishing streams running around the building. . . . Office windows revealing the mysteries of marine life. . . . Eating lunch while fishing on the 20th floor. . . . Botanists, biologists, zoologists and ecologists will help plan this new world of beauty and fresh air which is technically feasible now.

Such buildings can in no way replace parks and wild areas. But new designs incorporating glimpses of nature will make city life more enjoyable and help to develop a love of nature among urban dwellers which, hopefully, will make its continued destruction unthinkable.

In high-rise residential areas (as was done downtown) the first step is to draft an overall plan to provide for the remodeling or rebuilding of entire sections of the city at the same time so no new construction will be needed for 20 years or more. This will give city dwellers a reprieve from constant construction, blocked traffic and swirling dust.

Then we cover the streets and reserve the old street level for cars and trucks so people can move up to fresh air and quiet. Also, like the downtown area, lawns, trees, flowers and shrubs are planted everywhere.

RECREATION BELTS

In planning recreation areas, it is important to remember people are different in age and interest. So 80th Street might become 80th Belt, a five-mile-long kindergarten, nursery and fairyland. A block away is 81st Belt for grammer school children. Here the swings and basketball goals are higher and the swimming pool deeper. And so it goes throughout the residential areas with green recreation belts instead of streets for sub-teens, teens, young adults, adults and the aged.

As a systems engineer I have traveled coast to coast to meet with enthusiastic groups in more than a hundred cities. I have shown color pictures of what the American city should be like to be livable and how the "systems approach", can be the key to unlocking a new and higher quality life for all urbanites. The response has been overwhelming.

But, politicians ask, will it be too expensive? My answer: Is health damage resulting from polluted air *inexpensive?* Is urban decay *inexpensive?* Is breakdown in city life *inexpensive?* Is an increasingly depressing life for the majority of Americans going to be tolerated?

If we can spend nearly $100 billion a year for past, present and future wars—which gain us nothing but another year and a bigger military budget—then I'd say we can afford to take this approach of rebuilding our cities, which will help solve or ameliorate dozens of problems, be they social, economic, health, environmental or esthetic . . . problems which cause endless misery and heavy tax burdens. Using modern technology—which so far has been a mixed blessing—we can reverse the centuries-old trend of moving people to big cities only to bury them in ugliness and filth.

And let's face it. When we aks people to pay higher taxes for conservation and wilderness, inner-city folks who choke on foul air daily, fight rats nightly, and watch their city decay about them are likely to ask: "Why don't you start here?"

Parts of this new concept are already in use. For example: The concept of covering the streets with a grassy roof for pedestrians has been used in Cuyahoga Community College in Cleveland, Ohio; Edmunds Community College in Lynwood, Washington; and the Health and Welfare Complex in Nassau County on Long Island. The American International Development Corporation is using some facets of this concept in the design of the 30-story plus One North High Building in Columbus, Ohio.

But Uncle Sam isn't going to wave a magic wand and rebuild your cities. Local planning and participation have to be the first step. Communities must evaluate their problems, consider solutions and draw up tentative plans before the Federal government can help with money. But money should not be the limiting factor on programs like this.

I ask you: Is not continued existence of livable cities at least as important as building more interstate highways? Or financing more space adventures? Beauty and fresh air, continued existence itself—aren't these all worth a grand army of systems teams? And as big an effort as our NASA program? Isn't an investment in hope and urban peace worth as much to Americans as war and weapons?

We have the technology. We know the depths of the problem. All we need is the commitment. Let's make one.

Senator ALLEN. Thank you very much, Mr. Kimball. We appreciate your attendance at the subcommittee. Your statement is most persuasive and I might say also that it would make splendid testimony when the subcommittee considers the overall problems of rural development. We are seeking to obtain some of the answers to those problems confronting town and country America, and you have made some fine suggestions along that line. I want to request if you have not appeared before this committee in that connection, that you allow us to insert your testimony in that aspect of your investigation, as well.

Mr. KIMBALL. I would be pleased to have you do that, Mr. Chairman.

Senator ALLEN. That will make a very fine point and we will see to it.

Mr. Kimball, you apparently are of the opinion that transferring these programs and these duties and responsibilities and funds to the State governments might result in a less efficient operating series of programs at greater expense?

Mr. KIMBALL. I am fearful that that would result. I don't feel that State agencies are really geared up——

Senator ALLEN. And there is a good chance that some of the very fine Federal programs might be overlooked, or their priority might be downgraded by the State government?

Mr. KIMBALL. That is my fear. I think that the priority of attention would be rearranged, and that might subvert the real intent of the

Congress. So, if you just transferred the money in a lump sum and in essence let them set their priorities——

Senator ALLEN. In effect, wouldn't the Congress abandon, as far as the Federal Government is concerned, the funding of these programs and turn those funds over to the State, apparently to spend as they see fit in the general classifications under our rural development if it enacted S. 1612 as introduced.

Mr. KIMBALL. I think, in essence, as I understand it, that you would be transferring a bloc of money and, in essence, saying to the State government: "You have this and it is up to you to determine in what one of these various programs you want to fund that aspect, and to what degree."

Senator ALLEN. It wouldn't have to be this specific program; it would just be in that general area.

Mr. KIMBALL. No. For example: The water bank. This is a new program and as conservationists we were hopeful that this would encourage the rural landowner to retain water on his land and maintain some of the valuable marsh wildlife habitat that our particular organization is interested in maintaining. It really hasn't made sense even at the Federal level to agree to have one agency, let's say the U.S. Fish and Wildlife Service, which has a directive from Congress to maintain a marsh environment for water fowl, which is again their responsibility, and having another agency of the Federal Government, in this case the U.S. Department of Agriculture, providing tax money to drain those same marshes. And these are the types of judgments that you get if you transfer blocs of money and allow somebody to set their own priorities. I think, here again, if there was some way we could be reassured that we have a master plan, and we can say, for example, in your home State of Alabama, that we are going to maintain a certain amount of those marshlands for water fowl, or whatever the people of Alabama decide should be maintained, and then we are going to drain some of this for agriculture, and we are going to maintain some of this for industry, then everybody would understand where we are going, and we wouldn't have all of these conflicts and all of the problems of funding, the arguments that go on in the government and out in the public.

So, really what I am saying is that we desperately need a statewide, comprehensive land plan, and anything that the Congress can do to help finance and support the States in their effort to do this I think would be very well spent.

Senator ALLEN. I certainly think so.

Now, in order for some of these Federal funds under these programs to become available they may have to be matched, do they not?

Mr. KIMBALL. Yes.

Senator ALLEN. Now, in the new program, the administration's rural revenue-sharing program, these funds are turned over to the States without any matching. So it is not possible that actually less money, and therefore less benefit, would be obtained through the revenue-sharing basis than under the present program, which does draw local money into the program?

Mr. KIMBALL. That is correct, Mr. Chairman. And I think anyone who has ever served in any administrative capacity in the Government knows that he can devise the best programs in the world, and

if you don't have funds to implement those programs it doesn't mean a thing. And if you diminish those funds I think you get out of your planning effort and your administrative costs just that much less and I firmly believe that the local governments and States should share in the cost of the programs which benefit those people.

Senator ALLEN. I agree.

Now, many of the existing Federal programs are carried on by Federal employees, are they not?

Mr. KIMBALL. Yes.

Senator ALLEN. This, then, would phase most of them out of employment without the States having comparable personnel to take over the work?

Mr. KIMBALL. That is right.

Senator ALLEN. And possibly that is one of the parts that prompts you to say that there would be less efficiency with the State administration?

Mr. KIMBALL. That is right; there is no question about it, if you provide the money and the authority to proceed with an expanded program you are going to have to have the technical and administrative personnel to make those programs function. They have them currently in the Federal Establishment. You do not have them in the State government. And in the evolutionary process, although eventually the States would probably get there, it is still a very expensive, time-consuming and really, in our view, an unnecessary step.

Senator ALLEN. Now, are you hearing from the State wildlife federations telling you to get in behind this program and support it, or are you hearing to the contrary?

Mr. KIMBALL. We are hearing to the contrary. I think the testimony is an expression of concern and fear more than anything else. They can see some problems even in their own States of having these priorities disrupted. Because we have been a long time in convincing some of our Federal policymakers that some of the esthetic values—I am thinking now about the one I am interested in, and that is wildlife—but some of the esthetic values should receive consideration in the development of programs, particularly as it affects land use. We have been successful in enlightening the Federal policymakers, I think, to a much greater degree than we have some of the State people. And now that we have them enlightened where some of these considerations are clamped into the policy determinations, we have some real fear that all of that will be lost, and people at the State level generally are inclined to look at things in terms of contributions to the economy, maximum economic efficiencies, and they don't have room to consider esthetic values such as open space and natural beauty, wildlife conservation.

These are the types of things that most States say: Well, we really don't have the funds or the time or the effort or the interest to look after, or they give them the same degree of weight in their deliberations that we do, the economic values. And consequently, we have some real concern that this might be accentuated by giving them blocks of money to do with as they will.

Senator ALLEN. In the matter of rural development and the betterment of our rural areas and our rural communities, do you feel that the enactment of S. 1612 would be a forward step or a backward step?

Mr. KIMBALL. No, sir; I think it would be a backward step.

Senator ALLEN. Do you feel that this is a grassroots movement, or is it an effort from the top to impose this on the grassroots, so to speak?

Mr. KIMBALL. Well, I am really not sure I am qualified to answer that, Mr. Chairman.

Senator ALLEN. Let's just ask the first half of it, then.

Do you feel that this movement has grassroots origin or support?

Mr. KIMBALL. No, I really don't. I don't think this is motivated by any great groundswells of public opinion from out in the rural communities. I think more importantly there has been, as I read it, at least, considerable comment about the desirability of revenue sharing. The States and cities always have problems, as everybody does, with funding the programs they already have and many feel that the taxing value of the Federal Government is so much greater, and they receive such greater contribution from the tax area, that this should take place and there may be some groundswells of opinion along that line, but whether it is specifically earmarked for these particular projects in rural communities I doubt.

There is some effort to fulfill that particular desire, but certainly not specifically to this specific program.

Senator ALLEN. Now, as to the States themselves, is there any great demand among the States for saddling them with this responsibility?

Mr. KIMBALL. Not this particular responsibility; no. I know of none from the States or from public opinion generally. I think it is really imposed from the top down.

Senator ALLEN. Now you have answered the second half of my question.

Mr. KIMBALL. That is a personal opinion, Mr. Chairman. I don't know, if I had to document that with communications from our own State, that I could do that.

Senator ALLEN. Thank you very much, Mr. Kimball. I appreciate your kindness and courtesy.

Mr. Poole, please.

Mr. Poole, they have just signaled a vote over there, and it will take about 20 minutes for the vote, and then they will have another vote that will take about 20 minutes. So it looks like I am going to have to be gone until after 4 o'clock. I would be delighted to come back at that time if it was convenient to you.

Mr. POOLE. Senator, I am your last witness of the day?

Senator ALLEN. You are the last witness, yes.

Mr. POOLE. Perhaps it might suffice that my statement be submitted for the record, and say, secondly, that the rural revenue-sharing proposal, as we understand it, makes no sense whatsoever with respect to the water bank program that many of the national conservation organizations and many of the national wildlife organizations worked so very many years to achieve.

The preservation of duck waterfowl habitat to carry out this country's commitments, international commitments with Canada and Mexico, cannot be achieved in our opinion on purely a local basis. The birds are only in certain places because of their historic characteristics, and it is in those areas where water, wetlands, and habitats have to be preserved and it cannot be preserved in any way

if the States are merely going to divide the money among them and hopefully use it for the purpose of this program, because the problem is not equal in all States.

Senator ALLEN. Thank you very much. And without objection your statement will be put in the record as though delivered verbally.

Mr. POOLE. Thank you, sir.

(The statement of Mr. Poole follows:)

STATEMENT OF DANIEL A. POOLE, PRESIDENT, WILDLIFE MANAGEMENT INSTITUTE

Mr. POOLE. Mr. Chairman I am Daniel A. Poole, president of the Wildlife Management Institute, with headquarters in Washington, D.C. The institute is one of the older national conservation organizations, and its program has been devoted to the restoration and improved management of renewable natural resources in the public interest since 1911.

I appreciate this opportunity to explain the institute's objection to the inclusion of the water bank program in the proposed Rural Community Development Revenue-Sharing Act. I am not attempting to pass judgment on the rural revenue-sharing proposal itself. I am not familiar enough with some of the programs that would be folded into it to comment knowledgably.

I have one general reservation about the proposal, however. It stems less from a human's normal resistance to change than it does from recognition that most national legislation has its beginnings in responses to problems that are at least of regional concern. The major kinds of programs that would be folded into the revenue-sharing plan impact rural residents and communities in many States and I question how fully discretionary State use of the relinquished moneys can assure that the regional or national purposes of such programs are achieved.

The water bank program is a case in point. Carrying an authorized annual appropriation of $10 million for 10 years, the water bank is designed to give willing landowners a financial alternative to wetlands drainage and destruction. Under our national agricultural program, farmers can get technical and financial help to drain wetlands, but there is no balancing program to save wet lands. The pressures of rising taxes and greater labor, equipment, and materials costs force farmers to seek to use all of their land for income production. Natural wetlands on America's farms are caught in this bind, and millions of acres of potholes, marshes, and sloughs have been drained or filled and converted to cropland or pasture.

The waterbank provides an economically viable alternative to wetlands destruction by offering willing farmers and ranchers an amount equal to what their wetlands are calculated to yield if drained or filled and converted to pasture or crops. It gives the landowner, for the first time, a pair of financially equal alternatives for the use of his wetland—drain it or save it.

Having this kind of an option, the farmer and rancher more likely will opt for wetland preservation. Wildlife agencies have known for many years, and freely admit, that this country sustains its abundance and diversity of wildlife mainly through the generosity and interest

of the farmer and rancher. Potholes, sloughs, marshes, and other natural wetlands are among the most productive habitat for wildlife. They are important for ducks, geese, and other migratory birds, and they also provide excellent cover for such resident species as rabbits and pheasants. Additionally, these natural land depressions collect and store surface runoff, thereby helping to reduce flood crests. They also collect and store nutrients that run off the land and they are instrumental in recharging ground water supplies.

The water bank is a land and water conservation program. A reading of the testimony received by the House and Senate committees makes this clear. Appearing before the committees to endorse and support the concept were representatives from as many agricultural organizations and soil and water conservation district associations, if not more, than there were from wildlife agencies and organizations. The program has the endorsement of such groups as the American Farm Bureau Federation, National Farmers Union, stockmen and water users associations, and the National Association of Soil and Water Conservation Districts, among others. Appended to this statement is a copy of a letter signed by 13 national conservation organizations, also endorsing the water bank.

Conservationists believe that the regional and national objectives of the waterbank cannot be achieved by folding it into a revenue-sharing program giving individual States full discretion over how the money is to be spent. First, the water bank never was conceived nor advanced as an adjunct to rural development having largely or solely local objectives. While it is attractive in that the landowner retains title to his land and that it can be taxed by local government, the water bank is a wildlife and soil and water conservation program.

Principal beneficiaries of the waterbank are water fowl and other migratory wildlife, nearly all of which are covered under the migratory bird treaties with Canada and Mexico. Under the treaties and the implementing acts, the Federal Government is responsible for the designated migratory birds. This responsibility is executed through the Department of the Interior's Bureau of Sport Fisheries and Wildlife. That agency's program for migratory waterfowl, of necessity, blankets all of the country. Because of their high mobility and seasonal movements, migratory waterfowl cannot be considered on purely a local basis. Decisions and management actions concerning their well-being must be based on regional, national, and international considerations.

One of the most vital elements in this country's migratory bird conservation program is the preservation of wetlands habitat. Without sufficient habitat, and in the right places with respect to the bird's nesting, wintering, and migrational needs, waterfowl and other migratory birds will be imperiled and their numbers threatened. A national waterfowl conservation program cannot be erected on the mere presumption that a State will invest its equivalent share of water bank funds in wetlands preservation. As it now is constituted and intended to be administered, the water bank program is responsive to the Federal Government's commitment to Canada and Mexico to protect migratory birds. Habitat preservation in a large way assists our Government in discharging those commitments and for this reason we believe that the water bank program should not be included

in any kind of a revenue-sharing program giving States full discretion in use of the funds.

(The letter refers to follows:)

SEPTEMBER 28, 1970.

DEAR CONGRESSMAN: The undersigned national conservation organizations have learned that the chairman of the House Committee on Merchant Marine and Fisheries has requested the Speaker to list the widely supported Water Bank bill, H.R. 15770, on the suspension calendar for Monday, October 5.

Much has been heard in recent years about the drainage and destruction of the natural wetlands needed by migratory waterfowl and other wildlife. Records of House and Senate committees bear out that a vast acreage of wetlands has been destroyed, much of it stimulated by federal technical and financial assistance.

The Water Bank offers the owners of wetlands an acceptable alternative to drainage. Operating through existing USDA agencies, it would authorize payments for wetlands preservation, thereby making it feasible for farmers, ranchers, and other landowners to resist the economic pressures that encourage wetlands destruction.

As shown by the House committee's hearing record, the Water Bank is endorsed by many of the country's leading conservation and farm organizations and agencies as a constructive approach to the proper management of land, wildlife, and water resources.

American Forestry Association, William E. Towell, Executive Vice President;
Friends of the Earth, George Alderson, Legislative Director;
Izaak Walton League of America, Joseph W. Penfold, Conservation Director;
National Association of Conservation Districts, Gordon K. Zimmerman, Executive Secretary;
National Audubon Society, Charles H. Callison, Executive Vice President;
National Rifle Association of America, Frank C. Daniel, Secretary;
National Wildlife Federation, Thomas L. Kimball, Executive Director;
The Nature Conservancy, Thomas W. Richards, President;
Sierra Club, W. Lloyd Tupling, Washington Conservation Representative;
Trout Unlimited, Ray A. Kotrla, Washington Representative;
The Wilderness Society, Stewart M. Brandborg, Executive Director;
Wildlife Management Institute, Daniel A. Poole, President; and
The Wildlife Society, Fred G. Evenden, Executive Director.

Senator ALLEN. This concludes the Rural Development Subcommittee's hearing on S. 1612, President Nixon's Special Rural Community Development Revenue-Sharing Act of 1971. However, the hearing record will remain open until September 29 to accommodate other individuals or organizations that may want to submit statements for the record.

Speaking for Senator Humphrey, chairman of the subcommittee, Senator Talmadege, chairman of the full committee, both the subcommittee and the full Committee on Agriculture and Forestry hope to complete action on this legislation during the month of October.

(Whereupon, at 3:10 p.m., the subcommittee adjourned, subject to the call of the Chair).

(Additional statements filed for the record are as follows:)

STATEMENT OF HON. JIMMY CARTER, GOVERNOR, STATE OF GEORGIA, ATLANTA, GA.

I am Jimmy Carter, Governor of the State of Georgia. During, this, the first year of my administration in Georgia, we are undertaking every conceivable effort to expand and improve the capability of Georgia's state government operations. One of my major objectives is to develop a highly efficient system for the management of all programs—so as to achieve defined goals and objectives that are responsive to the expressed interest of all Georgians.

We, in Georgia, have instituted a reorganization of State government, in order to maximize both the effectiveness of individual state agencies and to develop a better overall planning and management system for the total efforts of Georgia's

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governmental operations. As an integral part of our planning and management efforts, we are vitally concerned with the responsible management of the financial resources of all federal grant-in-aid programs so that they too will serve the goals of our people in the most effective and efficient manner.

At the present time, we in the State of Georgia are undertaking a massive effort to gather the thinking of all Georgians through a "Goals for Georgia" program. We are urging every citizen to participate—through regional conferences, letters written directly to me, telephone calls to eight educational television programs, and by attending eight statewise conferences in Atlanta.

Virtually all Georgians have been informed of the "Goals" program and have had the opportunity to make an input. Nearly 300,000 Georgians have been directly involved, either through the ETV programs or through participation in the 61 regional and local conferences which were held this summer. Several thousand more will submit their ideas for improving the functions of government at the eight Statewide Conferences now scheduled between October 5–15. Over 5,000 "Goals for Georgia" workbooks were completed at the regional conferences and their contents will be used as discussion points for the Statewide Conferences.

Although there have been other "Goals" programs in other states, the Georgia effort is unique in that it marks the first time any state has gone directly to the people to set goals for a coordinated plan of state growth. The "goals", as determined by the people, will enable me, as Georgia's Chief Executive, and our State Legislature to become more responsive to the needs and wishes of the Georgia people.

We in Georgia have this year established a "zero-base budgeting system" to increase the continuing review and evaluation of all existing State programs.

Georgia has had an effective "delivery system" for planning and management services longer than any other state government. Our delivery system has been developed through our statewide system of multi-county Area Planning and Development Commissions. To coordinate the relationship of state and federal agencies to these local Commissions, we have concentrated technical assistance and coordination capabilities for Georgia state government in my Bureau of State Planning and Community Affairs. This same Bureau has overall responsibilities for coordinating with federal agencies so that federal programs can be related to the interests of the State Legislature, and in reporting directly to me as Governor. In this way, we have built-into our planning and management system the continuing inputs of local government, various organizations and all concerned citizens. Our planning and program design process begins at the local level and is then coordinated and further refined through the appropriate planning responsibilities of the State and federal governments. Georgia was one of the original States to recognize the need for the multi-state Appalachian Regional Commission. We are also one of only three states in the action that is presently participating in two Federal-State partnership Regional Development Programs. In addition to the Appalachian Regional Development Program, we are also members of the Coastal Plains Regional Commission.

I will not add to the list of the major actions we are undertaking beyond my aforementioned examples. But I do want to assure you that the basis for my statement to you today is our intention in Georgia to maximize the responsibility of State government. Since I firmly believe that State government has a foremost and an irreplaceable responsibility in our federal system, we must introspectively look within our present federal system to develop feasible ways to distribute the revenue resources paid by our taxpayers so as to maximize the delivery of government services to our people.

On the basis of my previous statements which describe Georgia's capability to manage the resources of State government, I now would like to make a brief and simple statement with regard to questions generally raised by the pending legislation on general and special revenue sharing.

The redistribution of federal revenues to State and local governments is essential in order to provide reasonably adequate resources to maintain much needed State and local government services. Since most of these services cannot and should not be provided directly to the people by federal agencies, it is quite obvious that an immediate application of the concept of general revenue sharing is proper and necessary. The urgency of need for it, in fact, increases and has tended to grow beyond the point of crisis in many State and local governments.

General revenue sharing, in and of itself, therefore has great merit. However, I do not believe that general revenue sharing alone will provide the answer. In addition to distribution tax resources to the point where they will best be planned and administered to serve the people, we still need to insure the development of a

total delivery system which will, with some uniformity of process, allow the myriad of agencies at all three levels of government to mobilize their funds—from whatever sources—more effectively in funding priority action for identified goals and objectives.

Therefore, in addition to general revenue sharing, which would probably deal initially with only a relatively small portion of federal program funds, we need a system by which all State, local and federal governments may effectively share together in planning and managing the total impact of all government programs, and in delivering final services to meet the greatest needs of our citizens.

The Governors who have had experience in the Appalachian Regional Development Program are generally agreed that the factors of state program management, which I have already pointed out, do provide the framework for such a delivery system. We believe that the Appalachian program deserves strong attention as a basis for designing national policies which allow the States, localities and the federal government to work together in partnership. We also believe that the Appalachian Program provides much of the basic foundation for the design of a delivery system which, if provided for on a national basis and assisted under federal legislation, would make the concept of general revenue sharing more palatable to all political interests, including The Congress, the Governors and the mayors, and would allow our state, local and federal governments to maximize the effectiveness of all governmental programs.

All of my preceding remarks are preliminary to the final comment which I will direct specifically to the pending rural revenue sharing legislation, S–1612. It is clear to me that this legislation represents an admirable effort to bring together a number of existing programs into a more coordinated fashion, and to provide the funds for these programs directly to States and localities for their use in a more flexible manner in attempting to achieve the purposes of the original programs. It is a very worthwhile purpose. But it does appear to fall short of serving the purpose in a practical way.

Most of the programs which would be converted to special revenue sharing by this legislation are much-needed programs. If the existing funds for these programs were made available directly to States and localities, most of the same program purposes would be properly served. I do believe, however, that a better way to manage these programs can and should be developed. Certainly there are too many fragmented federal programs, now, which bring about duplication and overlap, and which too frequently bypass the knowledge and constitutional responsibilities of our State and local governments. But I do not believe that simply turning the money loose—without carefully building in a proper delivery system design—represents an adequate way to provide for transition in the management of these programs. And S–1612, if passed in its present form, might create confusion and discontinuity in many essential government services—particularly in those States which presently have effective, on-going long-range planning and management systems.

It is imperative that we work out a more effective way for State, local and federal governments to work together in the management of programs. I believe this might be effectively dealt with in tandem with a general revenue sharing approach—since new money is involved and will provide additional funds to implement a planned approach to the delivery of services. In the case, however, of the rural development revenue sharing legislation, I do not believe there has been sufficient attention given to providing an orderly means by which the States and localities could work with the Federal government to continue the important existing program services while going through such an extensive transition in the way such programs are managed.

I believe that Georgia is ready today to deal with any general revenue sharing funds—which are additional to those now available—that can be provided. I think we must also work together, though, to obtain more general policies on a wide range of existing programs so that the delivery systems, such as those we have established in Georgia, may receive support and cooperation from all federal programs.

I do not believe, however, that it would be useful at this time, to pass S–1612, since it provides little or no additional funds, but does present all states with the need to work out program arrangements without adequate time to do so in an efficient manner. I believe that the purpose of S–1612—consolidating many federal programs and making their funds and provisions available for State and local government management in a more flexible way—can be achieved if we work together in the design of policies for an effective delivery system.

I hope that my comments are useful to you. I would be delighted, not only to confer with you at greater length, but to make the resources of our State government available to assist you in the very worthy objectives you undertake in developing this legislation.

LANSING, MICH., *September 19, 1971.*

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Rural Development, Senate Committee on Agriculture and Forestry, Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: I am submitting this letter as a part of the record of the hearing of your Subcommittee on Rural Development, of the Committee on Agriculture and Forestry, regarding the Administration's revenue-sharing program for rural development.

I am very concerned about this program because I believe it will result in a great many states and local units of government circumventing the intent of Congress when much of the conservation legislation was passed. As I understand it, funds presently allocated to conservation programs could be used for other programs which might appear in the short-range point of view to be more important locally. Even within the conservation programs, it would be possible to use the funds in exactly the opposite way from the way Congress intended. For example, funds allocated to the Water Bank Act which was designed to preserve wetlands could be used within the limits of other legislation and policy for drainage.

Conservationists, both individuals and organizations, provided strong support for the conservation legislation that this program would place in jeopardy. I firmly believe that the only way to insure that funds appropriated by the Congress for the various programs are used as intended and within the limits of the legislation and established rules and regulations is for each fund to retain its identity. I am confident that conservationists in Michigan overwhelmingly support this position.

I appreciate the opportunity to inform you and the members of your Subcommittee of the position of the Michigan Department of Natural Resources and untold thousands of concerned conservationists on this important matter.

Sincerely,

M. L. PETOSKEY,
Chief, Wildlife Division,
Michigan Department of Natural Resources.

FORT COLLINS, COLO., *August 13, 1971.*

Senator HUBERT H. HUMPHREY,
Chairman, Senate Subcommittee on Rural Development, U.S. Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: As President of Colorado State University, I am, of course, deeply interested in the responsibilities of the Senate Subcommittee on Rural Development which you chair in reviewing S. 1612, the 1971 Rural Development Act.

There are several features in the Bill as now before you that are of concern to those of us within the land-grant system. These concerns relate to the Cooperative Extension Service. Some of them are:

(1) There needs to be added a provision in the Bill for mutual consent in program development between the land-grant university and the Secretary of Agriculture.

(2) There should be a provision for growth.

(3) As the Bill is now written, the ability of Cooperative Extension personnel to use penalty mail for official business would be terminated, and expenses of regular mail service would be forced upon either the state or the individual counties. This should be corrected.

(4) The proposed Bill would require the states to pay retirement and fringe benefit costs of Extension federal appointees. These costs are now borne by the Department of Agriculture through appropriation to the department; this current practice should be continued.

(5) Under the proposed Bill, Extension would lose its present ability to purchase supplies and equipment through GSA sources at greatly reduced

rates and apparently would lose its current authority to acquire excess personal property which has provided a great saving in many states. Again, current practice should be continued.

In spite of assurances by the Department of Agriculture that the intent is to see the Extension Service assume a more significant role and to receive additional funds, the Bill seems to lack definitive guidelines and, therefore, could permit too wide a range of choices in future programs for funding and administration.

Personally, I am of the opinion that the Extension Services must do better in adapting their programs to meet higher priority needs of our society. I believe these options are available to us under the current operating procedures, but greater effort to change faster will have to be made. Certainly, there is more built-in opportunity for local citizen advisory inputs in guiding programs under the program as currently operated than would be the case if Extension should be included in S. 1612 as it is now written.

A point of considerable concern is, of course, a strong possibility under S. 1612 that Extension could be placed in a position such that the protection of the Extension Service against political manipulation would be jeopardized. As an educator, I would express to you my most serious concern if any legislation would permit a branch of this University to be subject to becoming a political whipping boy.

In view of the lack of clarity in the Bill, because of the fact that Extension now illustrates effectively many of the basic philosophies of revenue sharing and because of the potential the current legislation poses for political domination of Extension, I ask that you give serious attention to the possibility of outright exclusion of the Extension Service from the legislation. It would seem that the statements of the administration would be met if Extension were excluded. If for some reason, the Congress feels that Extension should be retained in the legislation, a series of amendments would most certainly be required to clarify the intent.

Your serious consideration of these concerns will be deeply appreciated.

Sincerely yours,

A. R. CHAMBERLAIN,
President, Colorado State University.

LITTLE ROCK, ARK., *September 14, 1971.*

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Rural Development, Old Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: These comments are submitted for inclusion in the record of a public hearing scheduled for Monday, September 20, 1971 concerning the Administration's Revenue-Sharing Program for Rural Development.

We understand that certain authorized federal programs for rural areas will be pooled into a common fund and that these appropriations and monies given to the states for fully discretionary spending will be delineated toward accelerated rural development. The Water Bank Act, enacted last year to provide $10,000,000.00 annually in an incentive program to preserve privately owned wetlands for wildlife purposes, would be included among the programs to be affected by the revenue sharing proposal.

State wildlife agencies vigorously supported enactment of the Water Bank with the understanding that land owners would receive incentives to preserve wetlands on their properties. The Water Bank would, in effect, counter federally financed agricultural programs which have offered financial assistance for the drainage of wetlands and concomitant destruction of fisheries and wildlife resources.

We are apprehensive that if the Water Bank's $10,000,000.00 annual appropriation is included in an overall "rural development" program, little of the monies would actually be spent to encourage wetlands conservation, as was the intent of the Congress in passing the Act.

We feel that appropriations for implementation of the Water Bank Act must be used for the specific purpose of preserving privately owned wetlands.

Yours very truly,

RICHARD W. BROACH,
Administrative Assistant, Arkansas Game and Fish Commission.

WASHINGTON, D.C., *September 17, 1971.*

Hon. HUBERT H. HUMPHREY,
Chairman, Rural Development Subcommittee, Senate Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: We are writing to you in regard to S. 1612, the rural community development special revenue sharing proposal now before your Subcommittee.

This proposal was made subsequent to the American Farm Bureau Federation's 1970 annual meeting held last December. Therefore, it has not been possible for the official voting delegates of the member State Farm Bureaus to give consideration to this matter.

Recognizing that this legislation would be considered by Congress ahead of our next annual meeting, the American Farm Bureau Federation Board of Directors discussed it at its March meeting and voted that Farm Bureau give its support to the "$1.1 billion rural community development 'special' revenue sharing proposal." At that time, the following statement was issued by the Board:

"Farm Bureau supports President Nixon's rural community development revenue sharing proposal. Under this proposal, the respective states would receive bloc grants for rural development in lieu of funds that currently are earmarked for a variety of specific programs. The total amount of federal funds available for state rural development activities would be increased; matching requirements would be eliminated; and states would be allowed to determine the way in which federal grants are to be used to advance rural development."

We thank you for this opportunity to have Farm Bureau's views on S. 1612 considered, and would appreciate it if you would make this letter a part of the hearing record on this issue.

Sincerely yours,

MARVIN L. MCLAIN,
Legislative Director, American Farm Bureau Federation.

ATLANTA, GA., *September 11, 1971.*

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: Enclosed you will find the prepared statement adopted by the National Association of County Agricultural Agents at their annual meeting in Columbus, Ohio.

Our association realizes the need for, and will support, a program to develop the rural areas of America. We feel, however, that the strong teamwork our membership can generate for any program could best be served under our present organization and not under the proposal outlined in S 1612.

I had the privilege of hearing your statement to the County Commissioners of Georgia this spring and I thought you did an excellent job of outlining some of the basic problems in meeting one of America's critical needs, the need of development the backbone of America, the rural communities.

Sincerely,

D. W. STROHBEHN,
National Association of County Agricultural Agents.

(The statement is as follows:)

The National Association of County Agricultural Agents would appreciate the opportunity to have its views on S 1612 expressed to you and your subcommittee and made part of the official record of your committee. In addition, if further testimony is needed our association would appreciate the opportunity to testify.

Our association of 5500 members represents Extension agents whose primary responsibility lies in the field of agriculture and its implications on the total society. They may be assistant or associate Extension agents, County Extension agents, or area and state staff personnel. Many of our members serve as county Extension chairmen, and this involves the responsibility of the total Extension program. Therefore, some of our testimony will involve the total Extension program and will supplement other testimony you might receive on the 4–H and Home Economics programs.

BRIEF HISTORY OF EXTENSION

With the passage of the Smith-Lever Act in 1914, we in Extension have had 57 years of experience working with rural people. The passage of the Smith-Lever Act

did not make Cooperative Extension work or its representatives an instant success. Far from it, as our earlier agents were looked upon with suspicion, and "that fellow with only book knowledge who probably couldn't even plow a furrow." The acceptance of the first county Extension agents was indeed slow and many a year passed by before he was looked upon as an authority in the field of agriculture.

Because of the wisdom of the language in the Smith-Lever Act and the freedom from political pressure on the state and national level, Cooperative Extension began to make its mark on the agricultural scene.

Cooperative Extension through its informal educational methods has made it possible for millions of Americans to receive and participate in the benefits of higher education who would not have had the opportunity to attend for formal study.

The educational system of pooling the resources of USDA, the Land Grant universities, the various experiment stations through the local Extension staff, has made this system a model for the world. The combined financial support by local, state, and federal funds has prevented Extension Service from being dominated by any agency. The efficiency of American agriculture today has placed the United States as an exporter of food and released from agriculture production millions of workers for American industry. This combination of events is the major reason why the United States is a world power. Let us emphasize again that this position of power was not brought on by chance, but by the confidence of American agriculture in its method of research and education that makes new methods, varieties, machinery, etc. adopted in a very short period of time.

WHY IS EXTENSION EFFECTIVE?

The Cooperative Extension Service is effective on the local level for numerous reasons. Its professional staff of 15,300 men and women and approximately ten thousand aides is small compared to many other agencies. But, its effectiveness is increased for the following reasons:

1. Extension agents are assisted on the local and the state level by an estimated 100,000 man years of volunteer leaders, a force dedicated to Extension and a nucleus for change and advancement of the Extension program.

2. Extension programs involve local people and are generally the results of program planning and development involving the desires and aspirations of the people on the local level. When a person has a hand in developing the program he will also be a promoter of the program and help carry it to completion.

3. Confidence by Local People: By presenting the facts both pro and con and by not dictating a program, Extension has through the years let the people decide after studying all available facts the best course of action. Through this method Extension has gained the confidence of the people and the new program becomes their program and adoption becomes a matter of fact.

4. Educate, Not Sell: The Cooperative Extension Service role has always been to place before the people the facts on any given situation. Through seminars, group meetings, field days and tours, etc., Extension has been able to lay before the people the combined facts of research and technology from the USDA, the agriculture college, experiment station, and then let them decide according to their needs. We have not been a selling agency of either the state or federal government. The selling approach of so many federal programs is one of the reasons they so often fail to gain local acceptance. By presenting the facts through educational meetings, Extension has relied on those involved to come up with the right decision.

5. Local Programs: The Extension program has been a local program and has not been classified by its people as something that came down the pipe from Washington or the State Capitol. This type program has again created confidence on the local level that we are not watchdogs for either a federal or state program and friendly disagreement will not become testimony for or against any program.

6. Extension Springboard for the Job: Extension when adequately staffed can do the job. It has the local contacts, know-how, professional competence, and physical facilities to carry out rural development or any other program. Too many times, we have been saddled with a new job with no increase in the staff to carry it out. Every efficient Extension agent in the United States is carrying more than a full load. By adding another program to his load without additional personnel is unfair to both the new program and local staff. Those of use on the local level have seen many federal programs spend tremendous sums of money trying to get a program off the gound. The failure was due primarily to lack of educational procedures and a local base of confidence by the people. Given a staff and adequate

financing, we are positive the Extension Service can do the job on the county level because we work from the ground up instead of from the top down.

7. Extension Library of Knowledge: Local clientele, for years, has recognized Extension as its best source of information on everything pertaining to agriculture and home economics. Extension through its chain of resources has been able to supply both the rural and urban audience information and research data on nearly every agriculture and home economics subject.

8. Outside Financial Help: Extension because of its reputation on the local level has been able to invite local civic organizations, business enterprises foundations, and local people to financially participate in a number of agricultural projects and livestock shows, community development, and 4-H activities and home economic activities. This outside help, besides the moral help on the local level, has poured millions of dollars each year into sponsorship of these programs—programs that could be lost if Extension loses its friends on the local level.

9. Extension Revenue Sharing at Its Best: The Cooperative Extension Service is Revenue Sharing at its best. An example of where federal dollars are matched by county and state governments more than dollar for dollar. When you add a 100,000 man years of volunteer service plus millions of dollars contributed by the people themselves, the end result is a program that works with a minimum of tax dollars and a maximum of people participation.

NACAA is Opposed to Cooperative Extensions' Inclusion in Rural Development Revenue Sharing:

The National Association of County Agricultural Agents is opposed to the inclusion of the Cooperative Extension Service in S 1612. S 1612 as it presently is written pertaining to Extension Service raises questions that are unanswered.

1. Through our formula system of the division of the federal dollar and the matching requirement of the state's, the Cooperative Extension Service has been able to carry on its program on a nonpolitical basis. S 1612 appears to require no matching money from state and local sources. With over half of these funds coming from these sources, what happens to these funds when the state and county governments are led to believe that the federal government will now finance the Cooperative Extension Service? It is conceivable in a short period of time after the passage of such a bill local and state governments might withdraw their financial support throwing the whole program on the Federal grant. The end result could cut the personnel and program by more than 50 per cent.

2. S 1612 Could Freeze Extension Funds: This leaves no room for new programs, or growth, nor any provision for the loss of local or state support. The bill calls for no matching money as does the Smith-Lever Act. The end result would be an inadequate understaffed Extension Service that was no longer effective as local and state funds were shifted to other programs and Extension became totally financed through its Federal grants to the state.

3. S 1612 would mean "Good-Bye" volunteer leaders and millions of dollars of non-tax money for the Extension Service. Once we lose the identity as a local program developed by local people and are dependent on the funds set up by Congress in rural development revenue sharing, we've lost our most effective weapon—local support.

4. No Penalty Mail: Extension uses newsletters or commodity letters as one of its major means of keeping the public up to date with the changes and recommendations being made. This plus the countless bulletins and other information mailed on request cost money. Who is going to pay the bill for this essential service, or will the counties who are supposed to be helped have to pay the bill?

5. Civil Service Retirement: How many USDA employees at one time or another were employees of the Cooperative Extension Service? Quite a few. We believe recruitment from the ranks of Extension to other federal agencies has been helped because they would not lose their Civil Service retirement.

Although the bill authorizes the states to contribute to Civil Service retirement, there is no requirement, And, under S 1612 all Cooperative Extension employees would, in our opinion, soon be eliminated from Civil Service Retirement. States would require that we participate under their retirement system. Since most retirement plans are geared to 30 or 35 years of service, without severe early retirement losses. Those Extension agents presently employed would not have the required number of years and, therefore, most would have to work until mandatory retirement to build a satisfactory retirement base.

6. Insurance and Employee Insurance Coverage: Federal employees insurance has been the base for many an Extension Service employee's insurance program. No provision has been made to protect these individuals from this loss or to assure these employees that someone else will have a comparable plan.

What happens to Employees Injury Compensation? Does the state pick it up, or are we left entirely without?

True the above are fringe benefits, but they are of concern to the rank and file and must be dealt with adequately. With all the fringe benefits gone Extension recruitment in the future is not bright.

7. There are other administrative weaknesses that we are sure our Extension administration will ask about, such as what happens to the following:

1. County Extension offices in Federal Buildings.
2. GSA purchase for Extension use.
3. Coordination between the Federal Extension office and the various states.
4. If a state doesn't participate in Revenue Sharing what happens to the Extension Service?

In conclusion, the National Association of County Agricultural Agents is in favor of some method of developing the rural areas. Those of us on the county level know that little development can take place without new jobs. These jobs can be stimulated by the Federal Government, but the long-term solution is new industry. Industry must make a profit in order to stay in business in addition to all the other incentives they look for when developing a new location. The county Extension agents stand ready to cooperate in any way possible to help solve the underpopulated, low income rural areas problem. We feel with adequate manpower we can offer alternatives to stimulate local initiative to encourage business and industry to move to new areas.

We feel S 1612 is not the answer for the Cooperative Extension Service and we respectfully request that Cooperative Extension Service be stricken from the bill.

The above statement was reviewed and adopted by the National Association of County Agricultural Agents at its Annual Meeting in Columbus, Ohio on September 10th, 1971.

HARRISONBURG, VA., *September 7, 1971.*

Hon. THOMAS N. DOWNING,
House of Representatives, Washington, D.C.

DEAR MR. DOWNING: At a recent Virginia State Dairymen's Association's Board of Directors' meeting, our Board expressed its concern over portions of the proposed Revenue Sharing Act involving Rural Community Development.

After discussing this matter thoroughly, as well as giving due consideration to the overall aspects and intent of the Revenue Sharing Act, it was our Board of Directors' feeling that the Revenue Sharing Act, in its present form, left much to be desired in order to maintain an effective Extension Service in the Commonwealth of Virginia.

Accordingly, a motion was made and passed unanimously recommending that Extension Service monies be eliminated from the Revenue Sharing Act and remain intact in the Smith-Lever Act. Also approved in the same motion, that an appropriate resolution would be written expressing the Board's concern over this matter and forwarded to Virginia's U.S. congressional members.

The following Resolution, I believe fairly represents the intent and feelings of our Board of Directors:

"Resolution on the Revenue Sharing Act

"Whereas the Virginia State Dairymen's Association's Board of Directors, in its summer 1971 meeting gave serious consideration to the proposed Revenue Sharing Act now on the floor of the United States House of Representatives and Senate and those areas involving the Extension Service of Virginia which could provide extensive and possible unwarranted changes in the Extension strucutre;

"Whereas the Virginia State Dairymen's Association recognizes that the Federal Government is attempting to increase its efforts to implement assistance to the states through Revenue Sharing; that two companion bills, S 1612 and H.R. 7993 have been introduced to implement the Act for the Cooperative Extension Service and that to the best of our knowledge the provisions of these two bills are not in the best interest for Virginia's dairy farmers, the economy of Virginia, and that the current operations, missions, and programs of the Cooperative Extension Service should not be changed by legislation; and be it

"*Resolved*, That we believe the Cooperative Extension Service should continue to be funded and administered under the Smith-Lever Act as amended and if any federal legislation is enacted, it is important that it enable the designated

Land-Grant University Cooperative Extension Service to continue all programs, operations, and funding in accordance with the basic principles authorized under the Smith-Lever Act as amended and the Agricultural Act, as amended: Therefore be it

"*Resolved further*, That we feel relationships which now exist between the federal, state, and local governments with the designated Land-Grant College and University for Virginia is revenue sharing at its best as this arrangement has demonstrated its ability to be responsive and effective in developing an ever expanding rural economy and that our members in the U.S. House of Representatives and Senate should be aware that the changes being proposed would make it necessary for the Commonwealth to increase its appropriation by approximately one million dollars to offset the denial of federal space, GSA purchasing, payment of retirement benefits, penalty mail privileges and excess property for use by the Cooperative Extension Service."

Mr. Downing, your Board of Directors, officers, and members sincerely appreciate your kind consideration of this matter and attention to those areas of concern which have been expressed in the above resolution.

If at any time I could answer any questions relating to this matter or if you have updated information that will apply directly to our expressed concerns in the currently proposed Revenue Sharing Act, it would be appreciated if you would contact me directly at my office in Harrisonburg for further review with our Board of Directors.

Yours very truly,

JOHN L. MILLER,
Executive Secretary, Virginia State Dairymen's Association.

WASHINGTON, D.C., *August 11, 1971.*

Senator HUBERT H. HUMPHREY,
Old Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: Reference is made to S. 1612, the revenue-sharing program for rural development and, more particularly, to Sec. 202(e), at page 11, of the bill as introduced.

A cliche many fail to understand or appreciate goes essentially: "America owes its prosperity to its agriculture." Yet, facts show that only in America does the labor of one person feed 50 others. We have the lowest amount of spendable income required for feeding our people. Only when we recognize that as little as 17% of our "takehome" pay is required to feed our people, versus 25+% for Europe to nearly 50% for the Eastern Bloc, does the economic significance of American agricultural productivity become readily apparent. Too few people remember how this happened, nor do they realize that our reserves of food and fiber crops are now drawn down to a low level.

It is beyond debate that the land-grant universities have made a tremendous contribution to America's enviable position through their extension, research and teaching programs. Through programs of the cooperative extension service, results of research in the laboratory and field are instanteously available to our farmers. The extension service reputation is such that our farmers accept with little urging the new findings. Our agriculture is founded on scientific fact—not some wild political-genetic prayerful hope, but proven truths. We deal daily with the emerging nations who cannot get their people to follow their state and national universities' leadership because of lack of trust and rapport. Ours, on the other hand, is a strong contrast.

American agriculture is founded on science and education. Progress in *both* of these fields will be critical to our future. Looking ahead to the year 2000, we could well have a population of 300 million people—an increase of nearly one third. Yet, even today, only 5% or our population feeds the other 95%. Further strides in agriculture must be made if we are going to enjoy the bounty we are accustomed to.

The above cited paragraph [202(e)] leaves it to the states to apportion the monies in a "sufficient portion" and "comparable in size and type" as in fiscal year 1971 to carry out agricultural extension work. Aside from the extreme vagueness or want of definition, this provision is a major risk-taking for the country. Headless horsemen, unplanned scientific work, and the propagation thereof will not suffice. We grow accustomed to bigger and better yields and other fruits of improved agricultural efficiency. Yet, the Southern corn blight in 1970 proved this to be a risky assumption at best.

We urge you to carefully consider the language in Sec. 202(e) of S. 1612. It should, in my judgment, be removed from the state-revenue-sharing provision, and the basis for funding agricultural extension be maintained in its present status. Failing that, the Congress should more clearly define by statutory definition and legislative history a positive mandate to go forth with agricultural extension programs that will meet our needs in the future.

You may include this letter as part of the proceedings on September 20, 1971. I would very much appreciate having your views on this.

Sincerely yours,

EDWIN M. WHEELER,
President, The Fertilizer Institute.

STATEMENT OF E. CLINTON STOKES, SENIOR ASSOCIATE, AGRIBUSINESS AND RURAL AFFAIRS, CHAMBER OF COMMERCE OF THE UNITED STATES

The National Chamber is convinced o the need to reduce the lag in economic and social adjustments in many of the less populated rural areas of the country, and we are also concerned with the need to increase the efficiency with which rural development affairs are conducted; involve the citizens of these areas in a more realistic decisionmaking way with their public problems; and solve a higher proportion of the problems of rural America locally.

It is for these reasons that we support S. 1612.

Accomplishing these objectives will require a maximum of flexibility in the programs and organizational approaches because of the diversity of resources and conditions in rural areas. Special emphasis is needed to develop human resources—motivation, education and job placement. Modernization of public facilities, services and institutions in the lagging areas is needed to make public services more efficient and effective.

The National Chamber also believes that the primary responsibility for planning to meet the needs of rural communities and regions should rest with the leadership of the communities and regions involved, whether that leadership be governmental bodies or private organizations or a combination of the two.

The Federal government has many programs currently in operation which are intended to meet most of the needs cited above. There are at least two major deficiencies—flexibility and decentralization. A third deficiency can usually be recognized—money.

S. 1612 provides these essential ingredients—decentralization of the decisionmaking process and flexibility in the application of program assistance. An increase in the amount of public funds is also provided. The bill consolidates the funds of eleven federal assistance programs and allocates the money to the states on a formula basis for rural development purposes. The types of programs combined include assistance for water and sewer facilities, conservation, extension education, multiple area planning and general economic development. Added to the combined fund of $921 million would be another $179 million to prevent any state from receiving less money than under the existing direct grant assistance. Most states will receive more money. This particular combination of programs and implementation procedures may not represent the ideal approach, but it is an important first step.

Under S. 1612, the Administration bill, the states would be required to set up a state-wide development plan outlining spending intentions for both rural and urban areas. Multi-jurisdictional planning districts with local representatives, or some other process involving local community participation, would be required. There would be no matching requirements for states to receive these funds. The money could be used for any or all of the combined programs; could be applied as the local community's cost-share portion for other Federal programs; or could be spent for locally conceived programs, as long as they were for rural development purposes.

The National Chamber supports in principle the provisions of S. 1612, i.e., the consolidation of the funds from the various grant assistance programs and the allocation of these funds to the states for rural development purposes. Federal grants-in-aid have tended to become an irresistible source of increased revenue for state and local governments, but at the expense of efficiency, effectiveness, and local leadership. The proliferation and expense of these programs have brought increased Federal direction and control over wide areas of traditionally state and local government functions. Every effort should be made to consolidate the vast number of existing conditional Federal grant-in-aid programs, to eliminate much

of the existing duplicated services as well as to increase the flexibility of their application at local levels.

S. 1612, along with other special revenue sharing proposals of the Administration, provides a way to begin a reversal of this trend toward more centralized control by the Federal government.

The National Chamber regards the provisions of S. 1612 as far preferable to those of S. 2223, which is also before this Subcommittee. Both measures have one basic objective in common—to strengthen the economy of rural areas. S. 2223 would create a permanent national banking system, complete with branch banks. It would establish another agency in the U.S. Department of Agriculture to provide another system of subsidizing credit to borrowers for rural development purposes which could not be financed at commercial interest rates. It would add to the proliferation of Federal programs providing grants and loans to disadvantaged areas and businesses, rather than reduce the involvement and control of the Federal government.

A better alternative to special credit programs would be to decentralize the federal credit programs through the various special revenue sharing proposals of the Administration. For example, the Subcommittee might consider including the Rural Electrification Administration programs and the Farmer's Home Administration's direct and insured loan programs in the special revenue sharing for rural development. The establishment of state and local credit agencies providing supplemental credit would be more responsive to actual needs of the communities involved. Decentralizing public credit needs would place both the capability and responsibility for decision-making closer to the localities where the need may or may not exist.

Therefore, the National Chamber respectfully urges your Subcommittee to report favorably Senate bill S. 1612—to establish a revenue sharing program for rural development.

WASHINGTON, D.C., *September 22, 1971.*

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Rural Development, Senate Committee on Agriculture and Forestry, Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: A heavy travel schedule prevented having a statement prepared for your September 20 Subcommittee hearing regarding funding of rural developments. Therefor, it will be appreciated if the following comments could be included in the hearing record.

In these days of steam-roller encroachment upon the natural environment for a variety of economic reasons, establishment of the Water Bank program within recent years was certainly a wise move toward preservation of wetlands for wildlife species.

The Wildlife Society supported development of the Water Bank program. We are, therefore, deeply concerned that there are proposals underway to reshuffle these programs in such a way as to jeopardize the future funding of Water Bank program objectives. We wish to urge you to assure continuation of the Water Bank program to the benefit of this Nation's wildlife resources.

Respectfully submitted.

FRED G. EVENDEN,
Executive Director, Wildlife Society.

CHICAGO, ILL., *September 9, 1971.*

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: It is my understanding that you will hold an S. 1612 hearing in Washington, September 20.

Because of my deep involvement in, and knowledge of, 4–H, my primary concern is the effect S. 1612, as presently written, will have on the Cooperative Extension Service and 4–H.

As a member of management of American Oil, a long-time sponsor of the 4–H tractor program, I have observed the present system at work at close range for a number of years. It is difficult to imagine another system in which business, education, and government work more harmoniously toward a common goal.

The present system and organization is responsive to the needs and wishes of the people in counties and states. And, too, the program is carried on in a non-political climate.

All this would change if the Cooperative Extension Service were brought under the provisions of S. 1612 as it is now written. Extension would inevitably become entangled in the political machinery in each state and the national programing coordination would be weakened.

At the present time I am honored to serve as president of the National 4–H Service Committee. From that vantage point, I see the Cooperative Extension Service performing best under the present system; therefore, I would urge you to exclude it from the provisions of S. 1612.

If you wish, you may make this letter a part of your September 20 proceedings.

Sincerely yours,

BLAINE J. YARRINGTON,
President, American Oil Co.

SCIO, OREG., *September 15, 1971.*

Senator HUBERT HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SIR: I have been reading with interest and confusion the draft bill proposed by Sec. of Agriculture Clifford M. Hardin, known as the Rural Community Development Revenue Sharing Act of 1971.

Many concepts of the bill are just not clear and I cannot see any benefit in this bill for myself and other rural families in the state of Oregon. My interpretation is, that states with small rural population, as is Oregon, would be virtually left out in the revenue sharing. Larger rural population areas however would do well.

Small farmers, regardless of area are hard pressed at present and I see no answer for us in this bill.

I urge you to consider this measure with great care before approving it.

Sincerely

Mrs. LESTER R. KUIKIN.

CHICAGO, ILL., *September 7, 1971.*

Senator HUBERT H. HUMPHREY,
Chairman, Subcommittee on Rural Development, Senate Committee on Agriculture and Forestry, Senate Office Building, Washington D.C.

DEAR MR. HUMPHREY: This is to urge your Committee's support of the Water Bank program which I understand is scheduled to be discontinued under the Administration's revenue sharing for rural development planning. I think we all know that if the $10,000,000 scheduled for wetlands preservation were transferred to the discretion of state administrators little of it would end up being used for the purpose for which it was originally intended. So many of our wetlands have already been destroyed that it seems a real shame not to do something to preserve the few we have left and encourage the development of new ones for the wildlife resources they so abundantly support.

Very truly yours,

FREDERICK C. PULLMAN.

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